

# Sales Management

AND ADVERTISERS' WEEKLY

JAN 17 1929

TWENTY CENTS

JANUARY 12, 1929



## SAUNDERS NORVELL

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How He SELLS Rings around Price Competition

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# Sales Management

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## When the Postman Whistles

one railroad sells itself . . . . .

*Editor, SALES MANAGEMENT:* Your suggestion regarding the desirability of the railroads telling the public about the facts of the railroad problem, such as are clearly explained in the Railroad Year Book, is an altogether sensible and wise position; I believe the public, as a whole, is preeminently fair and welcomes an opportunity to learn what the railroads have to say concerning the manifold problems which confront them. I may say the L. & N. has been following this identical course for a number of years; several years ago we published a book giving information similar to that contained in the Railroad Year Book, and likewise for a number of years we have been regularly inserting in newspapers and other periodicals located along our line road bulletins designed to give the public a clearer understanding of the difficulties surrounding the railroads, and, if possible, a keener appreciation of the importance of rail transportation in the general work of community building. Our efforts have, we feel, been entirely satisfactory.—*W. R. Cole, President, Louisville & Nashville Railroad.*

at the end of a perfect day . . .

*Editor SALES MANAGEMENT:* I look upon your magazine as one of the finest publications that I have ever seen. I consider that possibly I have some basis for making this statement, because at one time and another I have taken a great many different types of sales and advertising weekly magazines. I am sending a check to cover my renewal . . . . . I do not want to miss any of the issues.—*E. E. Rogers, Ltd., Manager, The Ash Temple Company, Toronto, Ontario, Canada.*

to be preserved . . . . .

*Editor, SALES MANAGEMENT:* I wonder if you could let me know whether your splendid series, "An Outline of Mergers," is to appear in book form and, if so, by whom it will be published.—*Otis Swift, George Harrison Phelps, Inc., New York City.* (This series will be published in book form. When arrangements have been completed an announcement will be made.—The Editors.)

with a renewal check . . . . .

*Editor, SALES MANAGEMENT:* Were the contents of SALES MANAGEMENT only fiction, your publication would be interesting, but being non-fictitious and about actual achievements of men in these times of scrambling for business, it is far more interesting to the writer than any mere fiction that could ever be written.

SALES MANAGEMENT is responsible for making me realize that in the line of manufacturing being conducted by my competitors and myself, while it should be immensely remunerative if merged, is not bringing to us the reward for our labors and investments it should. Merged, its great asset would be a combination of valuable and controlling patents, at an exceedingly reasonable figure, accompanied by reduced manufacturing and selling costs, and with a possible reduced selling price . . . . . could you put me in touch with some reliable merger company for a proposition I consider well worth their investigation?—*An Ohio Manufacturer.*

(This reader refers to the series of article, "An Outline of Mergers," by John Allen Murphy, the sixth of which appears in this issue.—The Editors.)

call up file, July 1 . . . . .

*Editor, SALES MANAGEMENT:* I got a good laugh out of the editorial "Alaska Papers Please Copy" in your issue of December 29. I appreciate this very much, and when watermelon time rolls around again will endeavor to see that the crop is increased by at least one good-sized melon, so as to take care of you.—*A. L. Shuman, Vice-President, The Fort Worth Star-Telegram, Fort Worth, Texas.*

digging up the old ones . . . . .

*Editor, SALES MANAGEMENT:* Did we see an article in your publication, quite a while ago, about the Federal Trade Commission ruling on so-called "free" offers?—*An Ohio Manufacturer.* (You did. "How the Federal Trade Commission Frowns on Free Deals," by Gilbert H. Montague, SALES MANAGEMENT, August 7, 1926, page 199.—The Editors.)



# Sales Management

AND ADVERTISERS' WEEKLY

VOLUME SEVENTEEN, NUMBER TWO

NEW YORK, N. Y., JANUARY 12, 1929

## Gooseneck Shovels, \$50 Hair Brushes and Jeweled Door-Keys

BY SAUNDERS NORVELL  
*President, The Remington Arms Company, New York City.*

**W**HEN the editor of SALES MANAGEMENT asked me to write five articles, I wondered how I could possibly find the time. I have already quit eating lunch for two reasons: To save my girlish figure and also to save one hour. Now I suppose I will have to go without breakfast or dinner.

I quote from the editor of SALES MANAGEMENT as follows:

"I think that all five of your articles should deal with the general problem of working with salesmen, or, as some people say, 'Handling salesmen'—a term which I detest, as I do not think we ought to speak of handling salesmen as we speak of handling boxes and barrels. For the first article I would like you to describe some of your experiences in getting men to sell higher-priced lines."

So that is our problem in this chat on paper—how to sell high-priced lines. Selling staple, medium or low-priced goods, that are called for in the regular routine of life every day, is, generally speaking, largely a matter of price. The price, of course, works two ways: In one instance the question is at what price you offer a well-known staple item. The other case is how good an item you can supply to be sold at a certain fixed price.

It is curious how changes take place in trade. Years ago, when I first started out as a salesman, the whole question was what price you asked for certain well-known items. Now I find in many cases goods are bought in an entirely different manner. The

One of America's best known salesmen tells a lot of good stories about methods he and other salesmen have used to sell rings around price competition. The price doesn't make so much difference, Mr. Norvell says, if the salesman is well fortified with facts about the product and doesn't try to sell with glittering generalities. These articles are teeming with ideas for men in the field. Use some of them.

buyer establishes a certain standard of an item that is required, an item that will retail at a certain fixed price, and then he wishes to know at what price you will supply an item of this standard.

One of my readers recently remarked to a publisher that my articles about selling applied with more force to twenty or twenty-five years ago than they do to present conditions. In other words, that I was something of a "has-been," and that selling today is different; that some of the old rules of selling do not apply at the present time. There may be some truth in this statement, because I often illustrate my articles with actual sales talks and personal experiences, and, of course, I must admit some of these selling experiences took place a number of years ago.

On the other hand, allow me to state the fact that within the past year I made, what I consider, one of the greatest sales that I have ever made in my experience, and this sale was especially interesting to me, because it was based absolutely on the logic of the sales situation. The sale was made not by high-powered salesmanship, or by personality, or as the result of influence, but simply by marshaling before the buyer the facts of a sales situation. When these facts were fully grasped the sale was made. This initial sale will result in a business of about \$1,000,000 per year. Later in these articles, without mentioning any names, I will tell the story of this sale. It will be interesting, because there are several selling principles involved that are very modern and up-to-the-minute as a result

of some of the latest problems in distribution.

But, after this digression, let us get back to our subject of selling higher-priced goods. First of all, to sell higher-priced merchandise, very good reasons must be established as to why the merchandise is worth the higher price. A salesman cannot deal in glittering generalities. He must have the facts and the selling reasons on the tip of his tongue.

I have often and often made the remark that, especially in the jobbing business, the success of the business depends largely upon the character of the goods sold. Some jobbers sell nothing but staple goods, and, of course, these staple goods are sold on a very narrow margin of profit. At the end of the year the profits in such a business are usually unsatisfactory. Other jobbers, however, even in the face of the keenest competition, sell goods of a very much higher character. These goods bear a better profit and therefore at the end of the year

the returns of such jobbers are very much more satisfactory.

Now you wish to know how the trick is turned. There is nothing very mysterious about it. Let me start, as usual, with a practical illustration, with a very simple every-day item.

Years ago in the hardware business we sold a nine-inch round, white, wooden carpenter's pencil. These pencils were very staple. They were sold at a low price with a very small profit. Then one day somebody invented a different kind of a carpenter's pencil. It was the same length, it had about the same lead, but instead of being round, it was flat, and instead of being white, it was painted red. That may not mean a thing to you, but to a carpenter it meant this: A flat pencil would not roll off a sloping surface, and a red pencil could be seen in the white shavings, when a white pencil was lost. Therefore, immediately the flat red pencil sold very largely, and the manufacturer who brought out this pencil made a very good thing of it.

Now naturally a salesman selling a line of hardware in those early days had to do several things in order to introduce this pencil. First of all, he had to carry a sample and show it. Next, he had to tell the dealer just why it was better than the old pencil. Some salesmen would stop here, but I happen to know a young hardware salesman who went into the matter a little deeper. He had his house send him a gross of these pencils, and in every town he visited he took the time and trouble to call on some of the leading carpenter shops and make some of the head carpenters a present of this pencil. Naturally, the sales-

"He had his house send him a gross of these new flat red carpenters' pencils, and in every town he visited he took the time to call on some of the leading carpenter shops and make some of the head carpenters a present of this pencil."

man who did this missionary work with the carpenters got a return on the sale of red carpenter's pencils much more quickly than the salesman who simply stopped with the dealer, and naturally the jobber's salesman who forgot to carry his sample of the red pencil and show it to his dealer was a very long time in building up his trade on red carpenter's pencils.

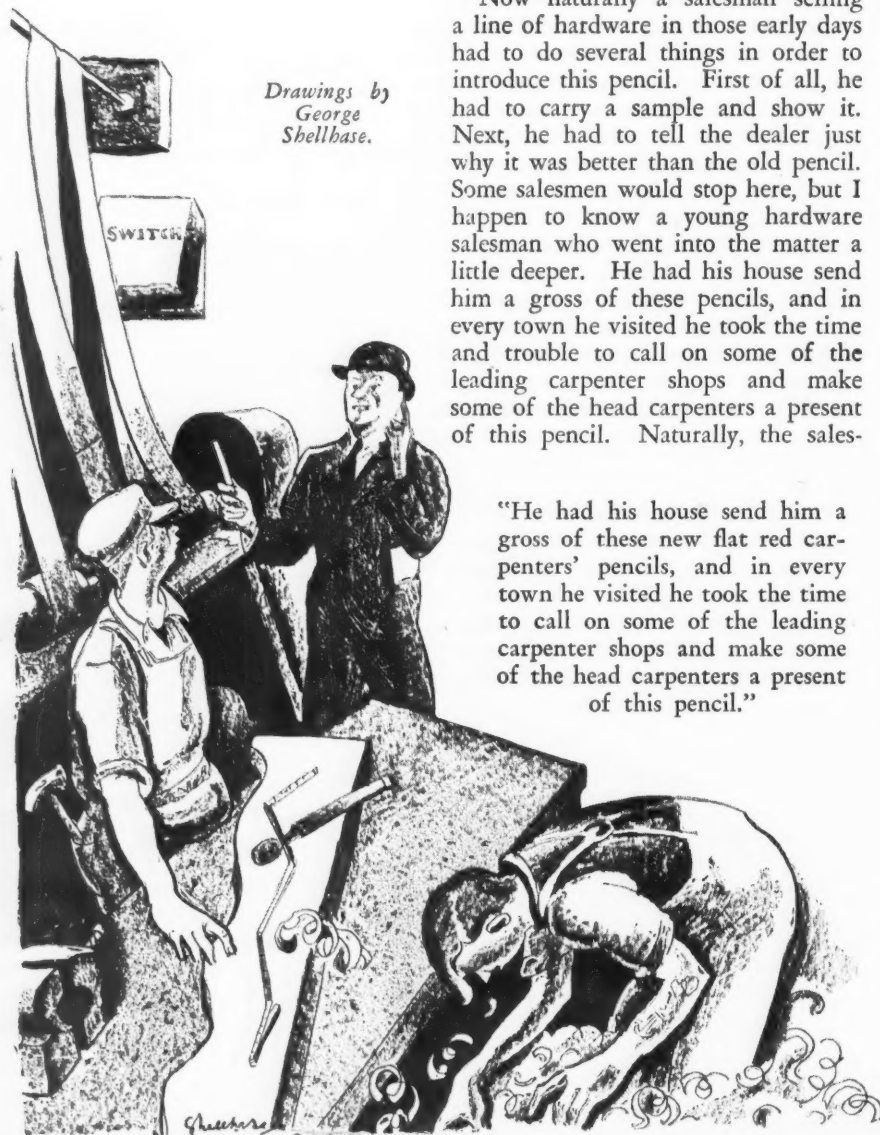
Of course, this is all so simple that it is hardly worth writing about, but this is the essence of the whole problem of selling higher-priced goods.

\* \* \*

Well; here is another story: Years ago when I was traveling in Colorado my house became exclusive selling agents for a new type of shovel. This shovel was made with a solid steel socket, all welded in one piece. It was a very expensive shovel. While shovels were sold at \$6 per dozen, this shovel had to be sold at \$12 per dozen. I had samples sent to me at Denver and I offered them to a number of dealers. They all said that they were too expensive. It was necessary to sell the shovel at about \$2 each, when the standard shovel sold at about \$1.

There are four kinds of shovels: "D" handle and long handle, round point, and "D" handle and long handle, square point. I decided to ask these dealers to buy a quarter of a dozen of each of these types in this new socket shovel. Then I asked them to attach a card with the price, \$2, on the card, and place these shovels at the front door of the store, where they would be seen. I told them if their customers would not buy these shovels I would take them off their hands.

I placed a good many of these assortments with various hardware dealers in Denver. Then I started on my swing around the circle. I carried a full-sized shovel with me in my hand. Of course, the conductor on the train wanted to know about this shovel; he wanted to know if I had taken a job as a section hand. The hotel clerk gave me a merry ha-ha, and when I walked into a hardware store carrying the new shovel they were all interested, asked the price and informed me that it was too high-priced to sell. Then I put up my little one-quarter dozen assortment proposition. On this proposition they bought. So, as I went around the circle, I placed these assortments in almost every hardware store. Of course, I decided I was running the risk of letting myself in for a lot of trouble, but I was convinced that the goods would sell if the consumer had an opportunity of seeing them.



Drawings by  
George  
Shellbase.



On my next visit, about six weeks later, I found upon the average that just about half of my shovels had been sold. In other words, the dealers had sold enough to pay for all they had bought, so I asked for other orders in lots of half a dozen each.

Now, of course, every account did not work this way. Some dealers did not keep their agreement and put them at the front of the store, so I had to give them a little fatherly talk on this subject. Some dealers were enthusiastic about the shovel, while other dealers had cold feet. In some cases I had to shift my shovels from one dealer to another. I found most of the dealers could sell them, but a few could not.

Then it happened that a certain man in northern Colorado, who had a lot of land under irrigation, saw this gooseneck shovel. I met him in a hardware store. He told me the shovel would be splendid for irrigation purposes, but it was too heavy and had too much of a bend. If he could get this shovel lighter in weight and with a straight handle, he believed that every man running a farm by irrigation in Colorado would buy some of these shovels.

I took this man to the blacksmith and had a shovel bent just the way he wanted. I sent this shovel back to our factory, and wrote a long letter, telling just what I wanted. They sent me a dozen samples of the new shovel made to specification. I took these samples one by one to the towns where there was irrigation. To make a long story short, in a few months I was selling these "irrigating" shovels in lots of ten dozen. Some of my larger customers even bought in lots of fifty dozen.

For a long time my house had a monopoly of this shovel. It was patented. No one else made it. As time passed I used this shovel to help open new accounts. It became one of the most popular items on my list.

The point of this story is that I first showed samples, talked to the dealers, persuaded them to put the goods to the front where they would be seen, and then I listened to the advice of the irrigation farmer, and this advice made our house thousands of dollars in the development of the new shovel.

Of course, all this is very simple—not much to it, except concentration of purpose, stick-to-it-iveness and taking a chance in backing one's judgment.

\* \* \*

Here in New York there is a concern selling a certain hair brush. I have gone through the factory in Eng-

land where this hair brush is made. It is a very simple looking brush. The back is plain and the bristles at first glance are commonplace, but a study of this brush indicates that it is not made like other brushes. There is something different in the way these bristles are put into the wooden back. Just let any woman try this hair brush and you can never persuade her to use any other. Some brushes just slip and slide over the hair. Probably you have met this kind. These English brushes go right down into the hair, and they do the trick, whatever it is, that women like.

The cheapest brush this concern manufactures retails at about \$10. That's pretty high for just a plain-looking hair brush, but it may interest you to know that one of the most popular sellers in New York City, and in many of the large cities of the country, is a brush made by this manufacturer that retails at \$50 each. They have another brush, their special deluxe, that retails for \$100, and yet here in New York a large quantity of these brushes are sold.

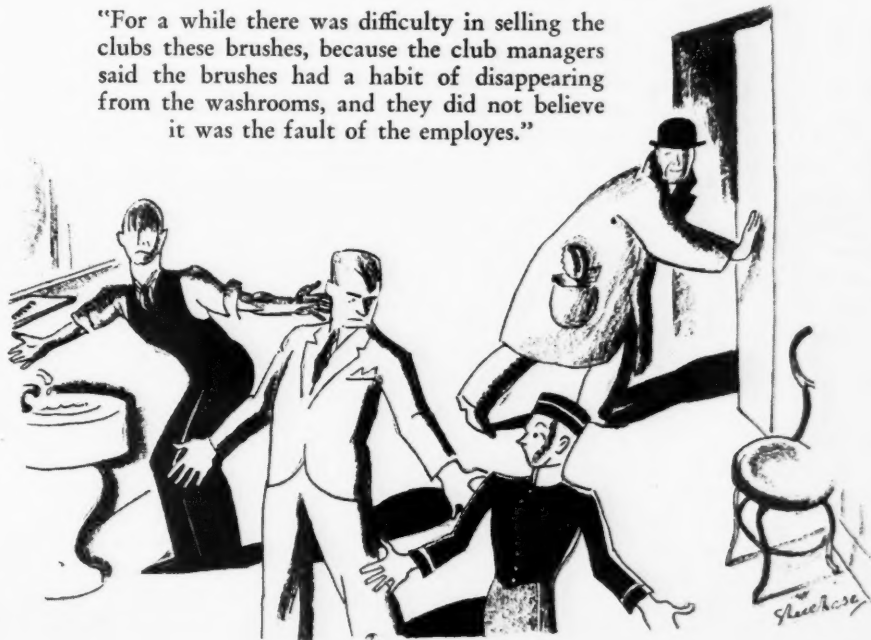
Many of the leading clubs in New York City will buy no other brush, and the reason they will not have any other is because their members insist on having this particular make. For a while there was difficulty in selling the clubs these brushes, because the club managers said the brushes had a habit of disappearing from the washrooms, and they did not believe it was always the fault of the employees! So the salesman for the brush house suggested that they allow them to place in large letters the name of the club on the back of every brush. That increased the brush sales and reduced the number of disappearances.



"I carried a full-sized shovel with me in my hand. Of course, the conductor on the train wanted to know about this shovel; he wanted to know if I had taken a job as a section hand."

It took a very long time to build up a business in this country on these brushes. How was it done? By patiently, month after month, showing samples, persuading dealers to put in a small assortment and asking them to get their customers to try them. The business grew slowly, but having once become established, it was a regular franchise. In other words, while, of course, this brush did not sell like  
(Continued on page 98)

"For a while there was difficulty in selling the clubs these brushes, because the club managers said the brushes had a habit of disappearing from the washrooms, and they did not believe it was the fault of the employees."





# Butler Brothers' Wholesale Chain Enters the Retail Field

BY JAMES TRUE

THE branching out of the country's oldest and largest wholesale concern of its kind into the retail chain field is not only a significant development of merchandising, but it also appears to offer suggestions of considerable value to wholesalers in numerous other lines. The recently announced plan occasioned something of a general surprise, for it was widely believed that Butler Brothers were permanently dedicated to the policy of distributing exclusively through independent dealers. Now, however, as Frank S. Cunningham, president of Butler Brothers, recently explained in his Chicago office, while the company will continue to adhere to its policy where independent distribution is adequate, it will also operate chain stores in other communities, and the new enterprise has been so planned that the experiences it furnishes will enable the company to improve its service to independent retailers.

For convenience of operation, the retail stores will be conducted through the medium of a subsidiary corporation, Scott Stores, Inc., the stock of which will be entirely owned by Butler Brothers. The chain units will be known as Scott Stores, and will be devoted to selling the widest possible variety of goods ranging in price from five cents to one dollar, a field in which the wholesale house has specialized for more than fifty years.

## To Train Store Managers

Mr. Cunningham further explained that the company has options on about 20 store buildings in a number of different cities and towns, and that the stores will be in operation as soon after the first of the year as they can be properly equipped. "These first units," he continued, "we shall use as training schools for store managers. As rapidly as practicable we shall add more stores for the same purpose, and our expansion will largely depend on how successfully we can find and train men to take over the management of additional units. Our plan is not based on a fixed schedule; but by the end of 1929 we expect to have our program very well under way.

"As to our purpose, let me emphasize the fact that my company is not attempting to take the place of the independent retailer, nor to offer any

substitute or economical short-cut for the established methods of retailing. We have always held the conviction that the best and most economical method of distributing our kinds of merchandise is through the established channel of wholesaler and independent retailer, and we have not changed our minds. We shall do nothing whatever to interfere with the business of many thousands of good merchants who have cooperated with us, and we shall be able to do much more for them in the future because of the new development, I am sure. In our opinion, it would be dishonest and disloyal on our part to take over the business built up on our products by our customers who are serving their communities adequately, even if we could do the job better, which we do not believe we could.

## Filling the "Blanks"

"Our problem is concerned solely with those communities in which we have no customers at all, an insufficient number to give us the distribution that we are obviously entitled to, or one or more who are indifferent to our interests and their own. Only in cities and towns where conditions of this kind prevail will we place our own stores, and then only after we have failed in a final effort to induce competent local independent retailers to cooperate with us.

"As I suppose it is with all large wholesale houses, there are many holes and blank spots in our territories. Wherever we cannot do it otherwise, we shall fill in these blanks with Scott Stores as rapidly as possible. As the business expands, we shall add to our existing six wholesale houses whenever additional warehouses are necessary, and of course all our houses will serve our own stores as well as our independent customers.

"As new or fallow territories are profitably developed, the tendency will be toward a lower wholesale overhead, which will be reflected in better prices to our independent customers. Every Scott Store will be considered not only a training school, but also a merchandise and methods laboratory. By a constant study of our own retailing, we shall determine the preferences of the public, how to sell unusual items, the best methods of displaying

all kinds of merchandise, and many valuable facts regarding advertising and all other phases of modern retailing. Needless to say, every independent retailer on our books will profit by this result of our new merchandising."

In discussing the reasons that prompted his company to enter the retail field, Mr. Cunningham said that, prior to six years ago, the possibility was looked upon as something of an iridescent dream. For some time the officials of the company realized that a chain of retail stores, properly placed and managed, could be made to aid the development of the regular wholesale business. However, it was not until a little more than three years ago that an exhaustive investigation was begun to determine how, if possible, retail outlets could be developed without endangering the established wholesale business.

## Will Retailers Object?

This investigation not only indicated a very sound and promising plan of procedure, but also convinced the company that the plan could be carried out without the slightest detriment to the business. Now the company has every reason to believe that the sentiment of its customers has changed in keeping with the radical changes that have been under way for some years in national distribution. In fact, the investigation disclosed that those of the more than a quarter of a million customers of the company, to whom the plan has been explained, offer no objections whatever to the operation of the stores, and that a majority of them are enthusiastic in their approval.

As to the opportunity at the present time, Mr. Cunningham pointed out that the number of towns in which the company is free to open stores, without coming into competition with cooperating independent retailers, is larger than it will be possible to take advantage of for the next several years. However, the field will be cultivated as rapidly as possible, and because of the nature of the Butler Brothers business, the company has certain advantages which will enable it to reduce by more than one-half the time usually required to develop new chains under full headway.

(Continued on page 105)

# How North American Learns Why Customer-Stockholders Are Lost



Blank-Stoller

Frank L. Dame

President, The North American Company

**P**OST mortems over lost business are mournful affairs. They are occasions when gentlemen with otherwise happy countenances gather around the bier of lost accounts, put on long, wry faces and wonder what motives really inspired old and cherished customers to drop products without explanation or with an explanation that doesn't ring true. The sombre proceedings usually are ended by a loudly proclaimed determination to go after new business to take the place of that which is lost.

This, of course, is a way around and not through the difficulty. Sales machines are shot into high speed. New accounts are harvested until the loss of old ones becomes a dim memory and in time fades completely away. The lost customer may return to the fold or he may not. In either case his motive for dropping the products remains a mystery. It is much the same with a stockholder lost by a corporation.

What happens when a consistent effort is made to explore the mind of the lost customer, to inquire into the motives that led him to withdraw his

patronage? And of what value is such information when it has been gathered?

Because the commodity manufacturer's relation with his dealers is so similar to the relation between the public utility corporation and the investors who hold its stocks, the analysis made by the North American Company will be of major interest to the executive readers of this magazine. Their system uncovers the real facts about lost customers.

BY HOWARD McLELLAN

Four years ago Frank L. Dame, president of the North American Company, which controls five main groups of public utility companies operating in large and important areas of the United States, found this query recurring to him; what can the average corporation do to read the mind of its large body of stockholders, particularly those who have ceased to be owners of the company's stock? The question could not be answered by a study of other corporations' experiences in analyzing the viewpoints of former stockholders. No such studies were available. Apparently the stockholder was allowed to relinquish his stock with no effort on the part of corporations to find out why.

## Applicable to Manufacturers

And yet millions of people were investing in industrial and public utility corporations. In fifteen years the army of investors had grown in size thirty times. Within the brief span of five years the public absorbed ten billion dollars' worth of public utility stocks and bonds.

These purchasers of securities are customers though they may be called by another name. Many of them are customers in a dual capacity, as purchasers of securities and as users of utility service, such as electric light and power, gas and transportation. They stand in the same relation to the company whose stock they hold as the dealer does to the manufacturer. They are motivated to buy and stop buying

by the same influences. Therefore, it is important to bear in mind that while this narrative discusses a plan by which the viewpoints of stockholders were gathered and analyzed there is no reason why, with certain adaptations, it cannot be applied to the problem of the manufacturer and his allies who are seeking to penetrate the mystery of lost business.

## The Situation

Unable to find a plan that had worked successfully for others Mr. Dame evolved his own. The North American Company has about 42,000 individual stockholders, more than 30,000 of whom are owners of common stock. In addition there are more than 97,000 individual holders of preferred stocks of North American's subsidiary companies located in Cleveland, Milwaukee, San Francisco, St. Louis, Washington and other cities. By reason of customer ownership campaigns the subsidiaries are in more or less close touch with their local stockholders. The North American Company, whose stock is listed on the New York Stock Exchange and whose stockholders are scattered through every state in the Union and in foreign countries, is more remote; its stockholders have acquired their stock through bankers and brokers and not through direct contact with security sales organizations maintained by operating subsidiaries.

Man's inventions for speed are insignificant compared with the speed attained by gossip—financial rumors, tips, predictions—occasionally right, usually wrong and often pernicious if not actually malicious. The same situ-





26.67% Gave  
Personal  
Reasons

27.85% Wanted  
Greater Profit

ation confronts the manufacturer and his agencies of distribution. Under such circumstances the average corporations may lose a large number of customers, or stockholders, through a mere misunderstanding which might mean a regrettable loss to the stockholders themselves and at the same time result in a blow to the company's reputation. How can the company's executives tell? A customer may withdraw his patronage through dissatisfaction with a company policy which may be misunderstood, or through wrong information or for various other reasons which may never reach the attention of the executive.

Obviously the executive cannot keep in constant correspondence with a large number of customers to find out what they are thinking about, but the moment the account disappears from the books the former customer might be asked: why?

This is precisely what the North American Company has been doing for four years, maintaining a continuously operating, almost automatic survey. Tracing the steps in the day-by-day interrogation of those who dispose of their North American stock, the first is a multigraphed letter with the type-

written name and address of the stockholder carefully matched to the body of the form letter. This letter, which is sent to the former stockholder by the Transfer Department as soon as the stock is transferred, is as follows:

"Dear Sir:

"Because The North American Company believes in the principle that the shares of successful public utility companies should be widely held by the public, we are anxious to retain as many stockholders as possible. Hence, I regret to note the recent transfer of your holdings and shall greatly appreciate your advising me of the reasons therefore to the extent that you care to do so.

"The number of our stockholders has been increasing steadily and rapidly. When we lose one we desire to ascertain whether his or her view of the Company differs from that of the majority (if, in fact, it does), or if the holdings have been disposed of for purely personal reasons.

"Enclosed is a folder, stamped and addressed to this office on which various reasons are set forth. Any reason under Nos. 1 and 2 which applies may be indicated merely by a cross.

"In thanking you for your assistance

in the matter may I express the hope that you will, when conditions permit, again become a stockholder in our Company?

"Very truly yours,

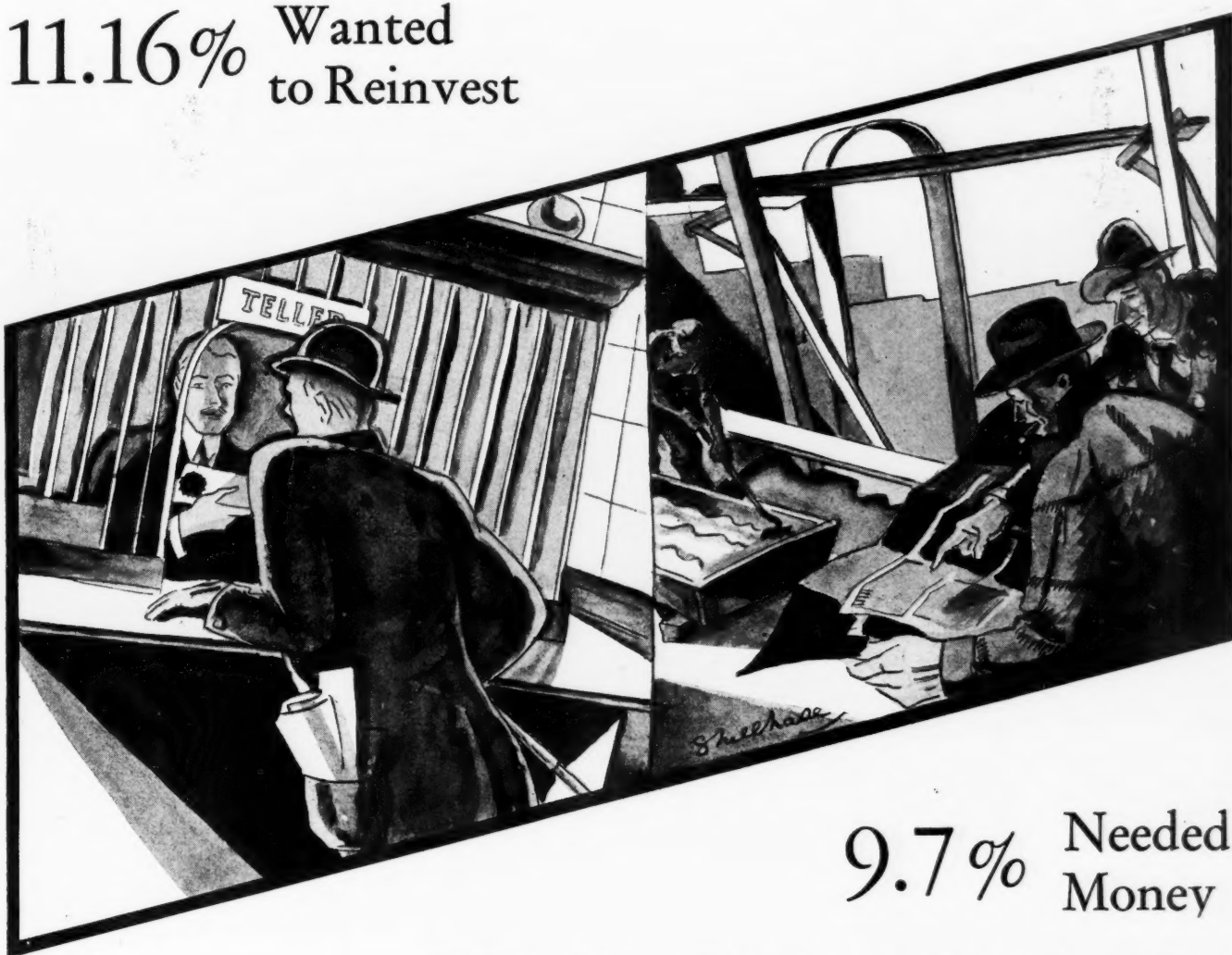
"F. L. Dame, President."

At first, post cards were enclosed for reply. Many, perhaps, were reluctant to write in such a public way their reason which might be personal. During the first year of the survey 45 per cent of the number to whom letters and post cards were sent replied. Later the reply form was changed from post card to a return folder widely used in Europe. This consists of a single sheet with flaps which may be folded and sealed, the back of the letter thus becoming the envelope. It is addressed to Mr. Dame and requires no signature because the stockholder's name has been typed in one corner. When this form was substituted 53 per cent of those to whom letters were sent replied. In the third year the average jumped to 57 per cent; in the fourth year to 58 per cent with a single month's return as high as 62 per cent. This percentage of response is remarkably high.

The return folder reads:



# 11.16% Wanted to Reinvest



# 9.7% Needed Money

"In response to your recent letter I am glad to supply you with the following information as to why I disposed of my stock in the North American Company:

"1. Desire for — (a) Greater security; (b) Greater yield; (c) Immediate profit; (d) Reinvestment.

"2. On account of— (a) Lack of information; (b) Any change of policy; (c) On advice of broker; (d) Opportunity to exchange; (e) Purely personal reasons.

"3. Other reasons. (Please state).

"NOTE: No signature is necessary, as the information desired is merely for statistical purposes. (Please put cross opposite item indicating your answer. If check marks do not indicate information you would like to give us we shall be pleased to have it at greater length)."

\* \* \*

Half a dozen lines of space are provided for other reasons or detailed information. Many ex-stockholders who reply give more than one reason. In compiling the information the first check mark is arbitrarily taken as the primary reason, although the form of questionnaire is such that this often

may be unjust to the company. The second check mark, if any, is taken as the secondary reason. Any others are necessarily not tabulated. Frequently replies are received several months after letters of inquiry are sent out. Many persons go into lengthy detail fully explaining their reasons for disposing of their stock. Such replies reveal information of the most valuable nature. When tabulated and analyzed they form an informative cross section of the public mind not only with relation to the company itself but as to public opinion generally on public utility matters. The executive has before him a picture painted not by his own conjecture but a complete delineation of his company by stockholders scattered throughout the nation.

And what are their reasons for selling? During the twelve months of 1927 replies were received from 57 per cent of all stockholders who sold during that year. The table which appears on page 107 is classified by reasons in percentage of replies received, 43.48 per cent of those who replied also giving secondary reasons. It is quite obvious that with slight changes in phraseology this tabulation might be adapted to business of any nature.

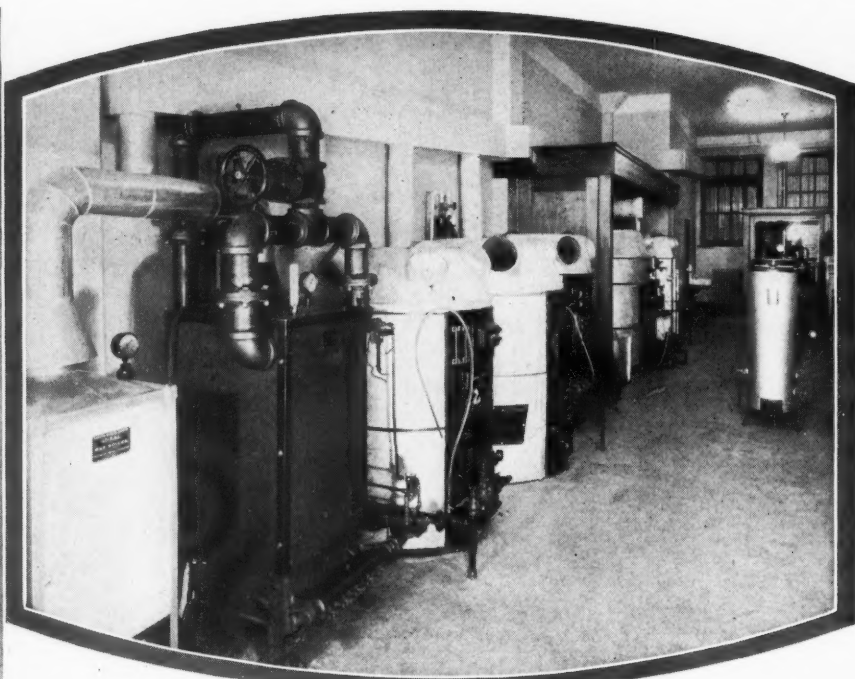
Analysis of these returns indicated that of those who disposed of their stock, more than 77 per cent did so because of various needs or desires for cash, although satisfied with the investment. Aside from the small percentage of miscellaneous reasons, changes in names, and sales involving gifts and death, only 16 per cent showed any degree of dissatisfaction; of these the highest percentage, only a trifle over 3 per cent, desired greater security, 2 2/3 per cent were motivated by the dividend policy and so on down to one-fifth of one per cent who feared the present dividend could not be maintained.

Special significance attaches to the fact that more than half the former stockholders who have secondary reasons for disposing of their holdings indicated their expectation to repurchase. Indeed there have been many cases where the questionnaire developed into correspondence which cleared up misunderstandings and led the former stockholder back onto the list. The direct contact established by the first formal inquiry led to the personal touch with executives which is a potential good will builder.

(Continued on page 107)



H. H. Skinner



The Dayton Power & Light Company bends consistent efforts toward educating architects and prospects on all phases of the use of gas-burning equipment.

## What Happened When a Public Utility Began Some Real Selling

**"YES** sir! Dayton Power and Light is a wonderful company," any citizen of Dayton, Ohio, will tell you with an obvious glow of pride. "It gives splendid service, rates are fair and it has done a lot for the community. There probably isn't another public utility company in the country that has the good will of so near 100 per cent of its patrons. Yes sir! A splendid organization."

Two years ago, the same Mr. Average Citizen of Dayton would have found difficulty in expressing his unfavorable opinion of Dayton Power and Light. If he had expressed it, what he said wouldn't have been suitable for publication. The service was so poor that nearly everyone who could afford to do so had quit using gas. At the same time the company was fighting for a big increase in rates.

It got the increase in rates—a 40 per cent increase at that—just two years ago. Since then its gas "load" has increased over 22 per cent and its sales of appliances, which will total nearly a million dollars this year, have increased several hundred per cent, while the people have been thoroughly converted from knockers to boosters.

Dayton Power & Light were selling less gas each year. Competition from oil burners was growing. Knocks of customers who were dissatisfied with the service were fast building up ill will. How aggressive intelligent selling brought about an increase of 22 per cent in gas sales alone, a tremendous sale of appliances, put the firm back on its feet, and at the same time won an increase in rates, is told here.

BY D. G. BAIRD

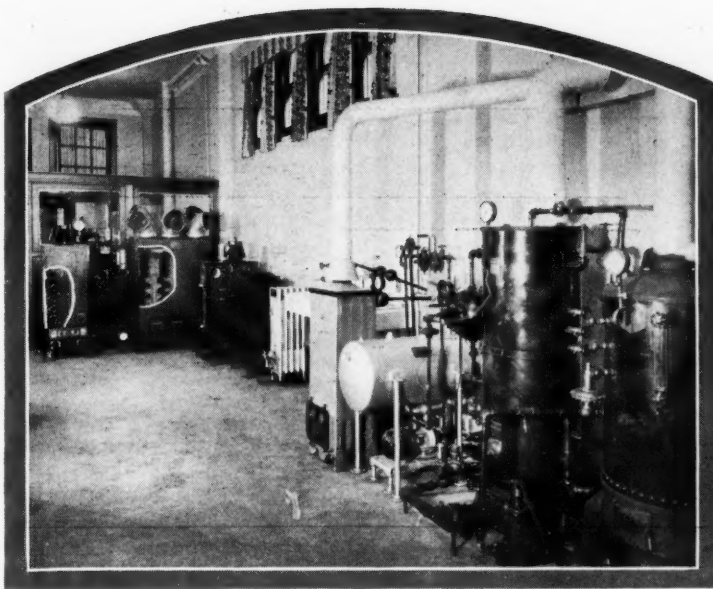
Dayton Power and Light has been "sold" to the public—and so has an amazing volume of its merchandise.

It all started with a \$14,000 party. Dayton Power and Gas had been in a bad way; everyone knew that. The people of the Dayton territory had been using gas since 1848 and since 1888 they had been using natural gas. They used gas for heating, as well as for cooking and boiling water. The local industries had used gas as their principal fuel. But for several years prior to 1926, Dayton Power and

Light had been selling less and less gas. It was losing money right along. Its service became utterly undependable. Many users quit entirely, while others used gas only as a matter of necessity. Six oil burner agencies were flourishing in Dayton and manufacturers were trying out other kinds of fuel.

The utility company needed the increase for which it was fighting, but people are seldom enthusiastic over granting an increase in rates to a public utility company. They were not at all happy when Dayton Power and





(Left) The company maintains a permanent display of gas-burning equipment of all kinds. All the appliances and equipment the company has to sell are displayed on the main floor.

(Below) Timely window displays, such as this one designed especially to tie up with Mother's Day, pull prospects for the Dayton Power & Light Company.



Light was granted a 40 per cent increase. Certainly they didn't all resolve at once to go back to using gas.

In November, 1926, soon after the increased rates went into effect, H. H. Skinner, a public utility executive of wide experience, was brought in as gas sales manager and the first thing the new sales manager did for his near-bankrupt company was throw a \$14,000 party!

"The object was to show the people how we could serve them with gas," Mr. Skinner explained. "There had just been a convention in Atlantic City at which practically all the gas machinery and appliance manufacturers had exhibited, and we arranged to transport that exhibition to Dayton. We had to stir up a lot of interest and enthusiasm. We stirred it up, all right. We had bands, orchestras, banquets, street parades and all the trimmings! The ten days' exposition cost us \$14,000, but its value was incalculable. That was the first and perhaps the largest exposition of the kind ever held. About 50,000 people attended.

"By this and other means, we undertook to reestablish confidence and to make the people believe that our service was going to be worth the 40 per cent more which we were going to charge for it.

"The one big problem was how to sell more gas. You can't advertise 'use more gas' the way you can advertise 'drink more milk,' you know; those who use gas use as much as they need to serve their purpose and that is all they're going to use, unless they are convinced of some new need to use more. Some of the wealthy people had been heating their homes with gas, but they had been furnished such poor service that most of them had

turned to other fuels. We would have to overcome a lot of resistance to sell on gas heating. At the same time, the cheapest gas furnace on the market was selling for \$200 or more, so there was not much use to go to the less well-to-do with such a proposition.

"The local manufacturers had also experienced that poor service and had either turned to other fuels or were experimenting with others. There was plenty of resistance in the industrial field.

"To cap the climax, we had no sales organization whatever, and it isn't easy to organize and train a sales force in this field; the salesmen must have too much technical training. We could get only four trained men to start with and none of them had ever done any selling. One had been a construction foreman, another had been superintendent of the steam department, one had been an installer and the other had just graduated from an engineering school, but had had some practical engineering experience. We also stole three sales engineers from other public utilities.

"With these as a nucleus, we organ-

ized and trained a force of fifty-two men and have been doing quite a selling job.

"Our greatest need at the time was something that would increase the consumption of gas, particularly an inexpensive domestic gas burner that would place gas heating within reach of everyone. Our engineers went to work on that problem and solved it, but that took time. It was not until June of this year that we were ready to offer the inexpensive gas burner.

"In the meantime, we entered into a cooperative advertising campaign with all the concerns in the city that were selling gas burners, including eight furnace contractors and fourteen plumbers, all of whom contributed \$100 each to the advertising fund. Most of them were selling a burner at around \$135 without temperature control and other equipment that cost about as much as the burner. We were selling a complete furnace at \$400.

"All the others together sold 1,009 burners last year and we sold about 300 jobs, some of which ran into big money.



"This year we brought out a gas burner to sell at \$120 complete, or at \$125 on time payments, with only \$11 down. We consider this the most important thing we have done, because it has brought gas heating within reach of everyone. The automatic equipment alone on a gas burner formerly sold for \$115. Our engineers developed this burner, but it is an assembled job. We are not in the manufacturing business. Other concerns all over the country have wanted to buy burners of us, but we have none to sell wholesale. We give other public utility companies the specifications and they can assemble burners for themselves if they wish.

"We introduced this burner in June and to date we have sold 645. To meet this, our competitors have brought out better burners, at lower prices, and all in all a lot of gas burners are being sold in our territory this year.

"There were six oil burner agencies in Dayton when we started our sales organization; there isn't any at all now.

### "Heatrola" Proves Popular

"We are also doing very well with a gas-burning 'Heatrola' which we persuaded the Estate Stove Company to develop. We recommend it for use during the fall and spring, when only a little heat is needed, although it can be used all winter, particularly if the house is small. It sells for \$95, installed.

"Our 'Da-Po-Li-Co' water heater is popular and serves to increase our sales considerably. Then of course we sell gas ranges and the other usual gas appliances. Our total merchandise sales this year will probably reach \$900,000, and we make a profit on everything we sell. We are strictly on a competitive basis with the heating and plumbing concerns and we have their very cordial good will. They are all doing more business than ever before because we have popularized gas burners and they appreciate the fact. I might add that all our boilers are installed by plumbers and all our furnaces are installed by tinnerns.

"But all this is incidental with us to the fact that we have increased our average gas load this year more than 22 per cent over last year. We are educating the people to burn gas and to burn lots of it. Our average customer burns 70,000 cubic feet a year, whereas the average throughout the country is only about 32,000. We don't consider one a very valuable customer unless he burns at least 100,000 cubic feet and a real good customer burns 200,000.

"We have made a big increase in our average gas load without any addi-

tional expense whatever; in fact, we have made a satisfactory profit on the sales of merchandise which have brought about the increased gas load. In the meantime, we have perfected and extended our service and have converted our customers from bitter critics to hearty supporters."

As the reader has doubtless concluded already, this sales organization is an exceptionally live one. Mr. Skinner believes in advertising and so he advertises more extensively, in proportion to number of meters, than any other public utility company in the country. Just at present he is running nineteen advertisements a week in the local papers on gas and water heating and three advertisements a week on the gas-burning "Heatrola." The least advertising he did last year was one

## A New Series of Articles on Selling to Industry

Beginning in an early issue, **SALES MANAGEMENT** will present a group of articles each of which will make a detailed analysis of a big industrial market. The first article, for example, will deal with highway transportation. Another will deal with the oil and petroleum industry. A third will cover the railroad market—and so on.

After each general discussion of a particular market, there will follow a fact article relating the actual experiences of some company that has been successful in selling to the particular industry under consideration.

advertisement in each paper on each product; a total of twelve advertisements a week. The space in each instance is large enough to attract attention readily and the copy and art work are commendable. He also does considerable direct-mail.

The commercial gas department occupies the basement and two floors of a store building at 122 North Main Street. All the appliances and equipment the company has to sell are displayed on the main floor, many of them being cut-away models, but no salesmen are on the floor. There is only an attendant to show prospects around and to list them as prospects to be followed up by salesmen.

The display window is always at-

tractively and frequently uniquely trimmed. Special displays to tie up with such occasions as Mother's Day, June Brides and national events are featured and serve to attract a great deal of attention. A few days after the grid glow tube was given a lot of publicity in the papers, one was on display in this window and hundreds of people amused themselves by "turning" the lights on and off by merely passing a hand over a card attached to the window glass.

In the basement is a completely-equipped gas engineering laboratory, where two classes a week are held; one in gas engineering and one in practical gas. Then there is a permanent display of gas burning equipment of all kinds, maintained and paid for by the manufacturers. Across the room from these devices is a permanent architectural exhibit of building materials. The floor is laid of all classes of flooring, the walls are paneled with all kinds of panels, on one side, with pillars of all kinds of brick, plaster and tile on the other; then there are exhibits of roofing, floor covering and everything else needed in the home. This exhibition room cost about \$9,000, but the small charge exacted of the exhibitors will repay this eventually. At the extreme end of the basement room is a small "Chamber of Commerce" room in which one article of every product made in Dayton will be exhibited, with a framed statement concerning it.

## Sales Organization

The offices on the second floor were laid out especially for the purpose.

Prospects are secured from the newspaper and direct-mail advertising, from the exhibits, from the salesrooms located elsewhere and from plumbers, and are followed up by a crew of twenty-five salesmen working under two supervisors.

Salesmen are given a drawing account against commissions to start on, but they soon learn that this is an unusual sales organization. Let Mr. Skinner explain why and in what respects:

"We are looking ahead ten years in handling our salesmen," he said. "We want the best men, we want to train them properly, we want them to work to the best advantage and we want them to remain with us permanently. Therefore, we are very considerate of their happiness and well being. We start them on a drawing account against commissions, but as soon as they prove themselves worthy, which is usually within three to six months, we place them on salary and commission. That makes them feel more secure.

(Continued on page 106)

# Ellis Bites His Thumb at Johnson's "Synthetic Dumb-bell"

Mr. Johnson's recent articles pleading for more freedom in advertising copy and making skeptical observations as to the value of the "mass mind," as defined by the statisticians, have brought this vigorous document of disagreement from a well-known advertising man. Mr. Johnson, still undaunted, pursues his discussion in next week's *Sales Management* with an article entitled, "Bricks without Straw."

BY LYNN ELLIS

ROY JOHNSON steps on my toes. He even shoots Bottom at me. Touchstone whispers in my ear to give him back the seventh cause of a quarrel, but I simply won't be dragged beyond the quip modest. For I like this crusader, even when he makes me read long words to find out what he's driving at.

As I get it, he has two main kicks. First, there ain't no such animal as an average man. Second, even if there were there would be no point to writing down to his "literate capacity," because the public has wit enough to get a lot of new ideas in spite of hifalutin' schools of "copy."

The first point we will admit. The statistical "average man" would be an accident, even should we ever lay eyes on him. But he does us one good turn at that. He reminds us that there are just as many people *below* his mental level as above. He may be a myth, but we can't talk far above him without shooting clear over the heads of the bottom crust.

I'm ready to agree with Roy that modern advertising itself is hardly old enough to have worked out binding formulas. That's why I've usually taken the editor's word ahead of the advertising man's. But there are editors and editors. Those who please the biggest masses, I note, insist on "toning down." That's the cue I work from.

Erie Hopwood, many years managing editor of the *Cleveland Plain Dealer*, shocked the local advertising club one day by saying bluntly he didn't much care whether the members pres-

ent liked his paper or not. It wasn't the kind of paper he liked to read himself. But his job was to please enough people to make the paper pay.

He held up a pyramid chart showing the New York newspaper situation as he saw it. It was ruled off in zones. New York, he said, and to a lesser extent Chicago, could support one or more papers for each zone. Cleveland couldn't.

Cleveland couldn't support a *Wall Street Journal* at the tip, an *Evening Post* just below it, then a New York *Times* on a level which gave it a following among such *Plain Dealer* readers as he couldn't fully satisfy.

## The Middle Stratum

His next zone, getting bigger, took in the *Sun*, *World* and *Herald-Tribune*. Then came a big broad band for the *Evening Journal* and at the bottom the tabloid zone. All other papers he left out for good reasons stated.

He couldn't be made to say that his zones represented mental boundaries which none of the papers could overstep. He simply charted circulations and let the picture speak for itself.

In fitting the *Plain Dealer* to the community on a big enough scale to make it a power he tried to cut off both the financial peak and the pre-Chaplin substratum, shooting at an average of all the other zones. The advertising man might not like to read the result, and yet find it very useful in his business.

There's a picture I like to keep in mind—a picture in which even the statistical average man oftener than not



Lynn Ellis

is above the lowest level I ought to be reaching for with my client's money.

But let's even grant that our statistical dumb-bell isn't so. Let's admit for the sake of argument that we *don't* have to write down to zero, or even to the halfway mark, to get our written story understood. It's still good business to do it, this day of speed, because it puts the story over *faster*.

Of one thing I'm sure. No man ever gets too "eddicated" to fail to grasp an idea sooner in the words he learned as a child. Nearly eighteen years ago, Walter Hines Page told me to "forget the literary style of the Government bulletin." That was after he had read the first few chapters of a book I was writing.

"But, Mr. Page," I said, "I want this book to command the respect of technical men."

"That's all right," he came back, "but if your matter deserves the respect of technical men they will get it all the faster if you talk the language of the man in the street."

I'd been guilty of a Government bulletin or two. In one of them there is an immortal line about some barns built so long ago that I couldn't get any cost figures on them. I told the Great American Farmer that "for the most part they were structures the con-

(Continued on page 100)





Blank-Stoller

Through the Remington-Rand merger these companies got rid of a stack of expensive branch offices. (Above) James H. Rand, Jr., chairman of the board.

**T**HE desire to remove surplus properties is one of the principal reasons for mergers. A consolidation is regarded as both a painless and economical way of eliminating a superfluity of factories, warehouses, branch offices, distributors, territories or salesmen. Amalgamations also frequently achieve the opposite course. A company that wants more plants or warehouses or branch offices or territories can quickly attain these objectives by merging with a concern that has the desired properties.

A large percentage of the consolidations that have occurred in recent years have had one or the other of these aims behind them. Take the Palmolive-Peet Company and Colgate and Company combine as an example. There were probably a dozen reasons for the come-together of these two famous organizations. Overshadowing all these reasons, however, is the fact that manufacturing soaps is essentially

# An Outline of

## No. 6. How Mergers Nationalize

BY JOHN ALLEN MURPHY

a local business. While several companies have built up a national business on soap, they succeeded in doing so only through superlative salesmanship. The local or sectional soap seller is the national manufacturer's worst competition. Profits on soap, except on the more expensive grades, have been shaved so thin that, other things being equal, the local manufacturer can beat the national manufacturer on freight rates alone.

Both Colgate and Palmolive found this to be true. Colgate had a national distribution. At the same time its sales in several states were pretty weak. Palmolive had a fairly intensive distribution throughout the country, although its sale in some sections was attained at a frightfully heavy selling expense.

### Removing Wide Open Spaces

The management of both firms wisely saw that by combining they could reduce costs and also remove some of the wide open spaces on their distribution maps. They reasoned that they could continue successfully to operate a national soap business, provided they manufactured locally. This they are doing.

The consolidated company has plants at Jersey City, Milwaukee, Chicago, Jeffersonville, Indiana, Kansas City, Berkeley, California, and Portland, Oregon. Palmolive soap is being made at Jersey City along with the Colgate line. Colgate's soap is being made in the old Palmolive-Peet's Western plants. Now orders can be filled for either brand from a local plant and at a substantial freight saving over the former cross-country haul. Although this new plan of operation has been in effect only a few months, already it has succeeded in getting both brands into territories that had previously been inaccessible.

There are a number of industries that are greatly influenced by freight rates. In fact there are dozens of thriving jobbing centers in the United States that were built up almost solely on the favorable freight rates which

the community enjoyed. A national manufacturer, making a bulky staple on which the profit margin is narrow, could not compete against these rates from the outside. The only way he could get by would be to establish a branch in each zone. In several fields manufacturers found it necessary to build factories in different sections so as to be able to compete with local industry.

The flour business is of this type. There used to be a flour mill in every little town. There are still several thousand flour mills in the country, although the tendency is toward greater concentration. The local mill has a decided advantage on freight. The profit on flour does not permit a miller to sell against too great a freight handicap. Hence most of the producers in the field confine themselves to a rather limited territory.

Even the big millers, who sell nationally, are obliged to manufacture locally. General Mills, Inc., is the largest producer of flour in this country. This company is a consolidation of several mills, Washburn Crosby Company, being the best known. The corporation has plants in the following cities: Minneapolis, Buffalo, Kansas City, Wichita, Chicago, Louisville, Great Falls, Montana, Ogden, Utah, Pasco, Washington, and Kalispell, Montana.

### Built Over Night

Formerly a manufacturer would tediously build up a branch organization of this sort over a term of years. Today it is built over-night through the medium of the merger. Very few rapidly-growing concerns are now financing their expansion entirely out of their profits. There is a concern in New York City, for example, that typifies the present tendency in this respect—the Rubel Coal and Ice Corporation. Rubel is reported to be the largest distributing organization of its kind in the world.

The company was started in a very small way in 1907. As profits accumulated, they were used to start addi-



# Mergers

## Essentially Local Industries

tional coal yards and ice plants. A business of this kind can be expanded only by establishing more branches. It cannot be operated from a central plant, unless it is content to do a business that must be limited by the size of the territory that can be served from the one plant. However, Samuel Rubel was not satisfied with a trade of these dimensions. He built new plants as fast as he could earn the money for them. Under this policy the company slowly grew.

In 1925, the company made a radical change in its methods. It began to acquire going organizations and since that plan was inaugurated its growth has been phenomenal. In this way, it has merged forty-seven large companies, besides a number of smaller outfits. It now operates fifty-one ice-manufacturing plants and thirty-five coal pockets. It has innumerable distributing stations scattered throughout the city. It also does a large ice cream and malt products business.

### Must Move at Lively Gait

That method of expansion appears to be the only one that is practicable today in a highly competitive field. Formerly it was feasible to expand gradually and on the pay-as-you-enter plan, but now-a-days competition compels a business to move along at a much livelier gait. If a concern were to wait, under present conditions, for its earnings to justify an addition to the number of its branches, the chances are that a faster-moving competitor would gobble up all the opportunities in the field in the meantime.

The cement industry is another business that is circumscribed by the weight of its product. A cement plant cannot reach out any great distance for customers. Before it will get very far, it will run against a freight rate barrier. Hence the larger concerns in this industry became large by scattering production units strategically over the country. For example, the International Cement Corporation has thirteen plants, which are operated by eleven subsidiaries. Among other places these units are located at: Birmingham, Alabama, Hudson, New York, Greencastle, Indiana, Kansas City, Kansas,

Norfolk, Virginia, New Orleans, Louisiana, Dallas and Houston, Texas.

These mills are so located that the company is in position to

H. M. Warner, president, Warner Brothers Pictures, Inc., and The Vitaphone Corporation, who has been identified with one of most important mergers in the theatrical field.



bid for a good share of the country's cement business. Several of the International's plants were acquired through merger.

Because of its local nature, no dominating organization has risen in the cement industry. I am informed that no concern in the field has more than twenty plants and that the largest producer in the business turns out only 12

(Continued on page 94)



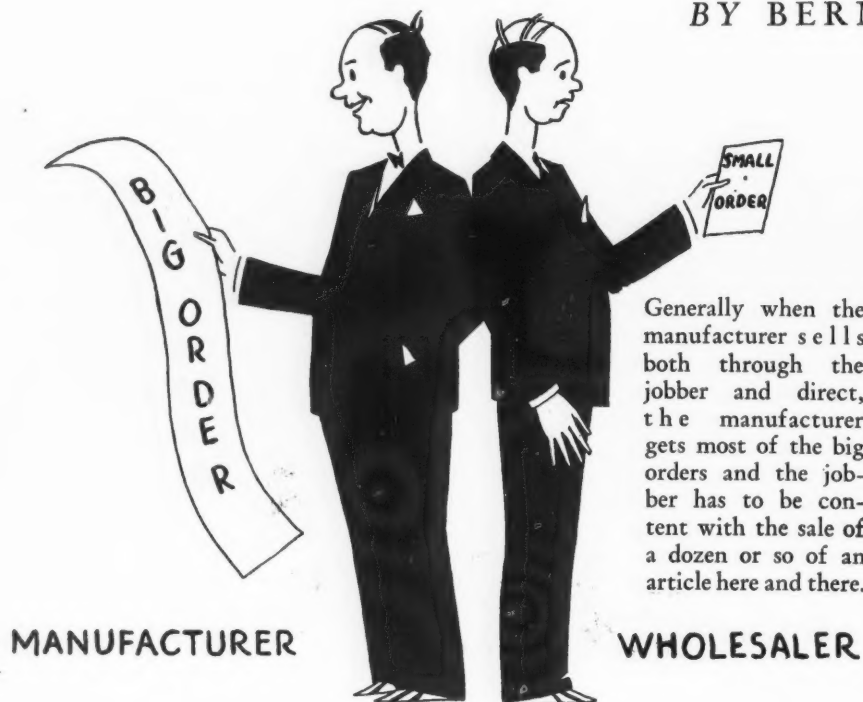
The Colgate-Palmolive merger enabled both these semi-national concerns to compete with local soap manufacturers by manufacturing locally themselves. (Below) Sidney M. Colgate. (Left) Charles S. Pearce, president of the combined companies.

Blank-Stoller



# Chandler and Farquhar Tell What Lines They Like to Push

BY BERNARD G. PRIESTLEY



Generally when the manufacturer sells both through the jobber and direct, the manufacturer gets most of the big orders and the jobber has to be content with the sale of a dozen or so of an article here and there.

Naming the Delta File Company, Browne & Sharpe, New Britain Machine Company, Morse Twist Drill and Machine Company, Skinner Chuck Company and others, Walter E. Currier, sales manager of one of the oldest and largest New England hardware wholesalers, tells why his men push the products of these manufacturers — and why other lines have been dropped. His ideas will help any manufacturer formulate a sales policy that will win cooperation.

**W**HAT causes a wholesale hardware concern to push the products of one manufacturer intensively and to treat the products of another manufacturer in a very ordinary sort of a way?

Chandler & Farquhar, Boston, one of the largest and oldest hardware houses in New England, was sounded out along these lines. The answer, given by Walter E. Currier, sales manager, was that the company finds it highly advisable to follow a policy of pushing to the greatest extent the products of the manufacturer who co-operates with the company in the greatest measure.

Conversely, the company finds it not worth-while, generally speaking, to pretend to handle at all any of the products of a manufacturer whose co-operation is meager.

In the opinion of Mr. Currier, lack of cooperation between the manufacturer and the jobber in the hardware field is a serious matter at the present time. In fact the situation is such that the wholesaler practically has been driven to adopting a policy of "playing ball" only with those manufacturers who will "play ball" with him.

One of the greatest causes of complaint against the manufacturer, Mr. Currier pointed out, is that he is wont to try to play the game at both ends. In other words, at the same time that he is urging the wholesaler to work for wide distribution of his products he is striving also to make direct sales to the dealer. Frequently he even goes so far that he offers the retailer a better price than the wholesale house can give the retailer.

Long ago Chandler & Farquhar decided that it could not do business with manufacturers using these methods. One big reason for such a conclusion is that it generally works out that when the manufacturer sells both through the jobber and direct the manufacturer gets the most of the big orders and the jobber has to be content with the sale of a dozen or two of an article here and there to the smaller retailers, who for one reason or another find it inadvisable to purchase direct.

Besides following a policy of pushing only the goods of houses who sell through the wholesaler exclusively, Chandler & Farquhar is what Mr. Currier calls a "one-firm house." This does not mean that Chandler & Farquhar deals with one factory alone,

or that it handles all the tools or equipment produced by the houses with whom it does business.

It means that if the company carries cutters, for example, of one manufacturing concern, it does not also carry the cutters of another concern. Yet this would not prevent the company from distributing tools or equipment of the second company other than cutters.

Further, it means that if the company distributes files made by one manufacturing company it does not undertake to market any files of another company, although it might take on other articles made by the latter concern.

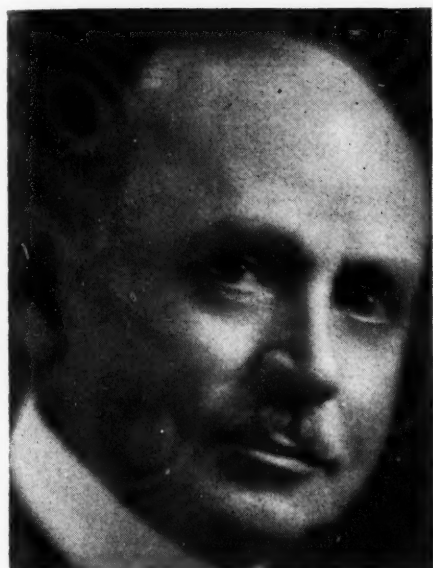
For instance, Chandler & Farquhar handles the reamers and drills of the Morse Twist Drill & Machine Company of New Britain, Connecticut. On the other hand, the taps, dies and cutters of this manufacturing concern are distributed through another channel. The cutters that Chandler & Farquhar distribute are made by Brown & Sharpe, Providence, Rhode Island.

The company uses this plan in the interest of focusing all the selling  
(Continued on page 98)



# Shoe Leaders Interpret Retail Distribution Policies

BY H. C. NORTH



E. J. Bliss

**M**OST department and specialty stores are eager to lease their shoe departments to manufacturers," says George Miller, vice-president, I. Miller & Sons. "Even the largest retail establishments, consisting of a single unit, have difficulty selling their shoes at a profit. Shoe selling must start in a factory which is sensitive to country-wide habits, and this is beyond control of a single store.

"We have no trouble in securing the most desirable agencies; in fact, installation of shoe departments is usually at the suggestion of store owners."

M. L. Friedman, vice-president and general manager, Diamond Shoe Company Corporation, who has general supervision of the company's manufacturing, wholesaling and retailing, says:

"Manufacturing costs have been cut about as low as possible. Even among the different producers of equal size there is less variation in cost than would be expected. With manufacturing bunched as it is in a few centers, rents in the same section are about the same. Rental of machinery is the same per unit; labor differs but a little; and the cost of materials to most manufacturers differs slightly. The most considerable savings must be looked for in steady volume, eliminating low-high peaks and reduction in the cost of distribution."

E. A. Dow, New York manager,

George Miller, vice-president, I. Miller & Sons; M. L. Friedman, vice-president, Diamond Shoe Company Corporation, and E. A. Dow, New York manager, Endicott Johnson Corporation, appraise the strength and weaknesses of factory-controlled retail stores. This is the fourth article of a series on distribution's changing trends as reflected in shoes.

Endicott Johnson, has this to say:

"It is my personal opinion that conditions will more and more force shoe manufacturers to own or otherwise supervise retail outlets—whether they want to or not."

The plan of the foregoing installments in this series was, first, to show by means of a chart the changes in methods of distribution, and in a general way to indicate their reasons; second, to apply the generalities to a specific industry, for which the shoe industry was chosen, tracing the larger movements in its history; and, third, to describe distribution systems as they exist today, and attempt to discover a central trend. So far as possible opinions and judgments have been avoided; the design has always been to present facts as complete as could be obtained, and to draw no conclusions save those which might be easily inferred from the evidence.

## Chains vs. Independents

The aim of the present article is to give opinions, judgments and results, as seen by individuals, of the various conditions, policies and systems heretofore described. No attempt can be made to present a complete symposium of thought. As usual, companies have been selected which differ widely in outward aspects, seeking a variety of points of view.

Quotations from Mr. Miller, Mr. Friedman and Mr. Dow serve excellently to emphasize the statistics already cited from the census of distribution in eleven trading centers. To repeat: Of a total of 3,249 establishments in which shoes were sold, the boot and shoe stores got 16.17 per cent of the business; department stores, 19.96 per cent; and all others, 12.85 per cent. Of the 2,030 boot and shoe

outlets, 555 chain establishments got 51.8 per cent of the total sales, and 1,475 independents got but 48.2 per cent.

Average yearly sales of independents were \$29,909—of chain stores \$85,460. Only 12.48 per cent of the independents had annual sales of \$50,000 and over; and a mere 5.16 per cent showed sales of \$100,000 or greater. In other words, 87.52 per cent of the independents failed to secure yearly sales of \$50,000—\$35,000 less than the chain store average.

It is understandable why retailers should welcome a manufacturer with chain store methods assuring him of steady rent from his shoe department. It is equally understandable why manufacturers, looking for steady volume and lower distribution costs, should want to take a hand in controlling them. And it is not hard to see why conditions call for more interest in retailing by manufacturers, whether in digging their own channels or repairing the old. Opinions of individuals as to the results of their plans follow:

"We are primarily merchants," says Mr. Miller, "and this attitude results in smaller stocks, rapid turnover, and fewer markdown sales. Our policy is based on the belief that the manufacturer must know the public, and know retailing. He must be near enough to the consumer to think of him as a living person, to appreciate his point of view."

"Our retail department is interested only in the consumer. It will not allow the manufacturing department to impose goods upon him against his will. The energy which formerly went into strong-arm selling is now spent by our company in clashes between the producing and retailing organizations."

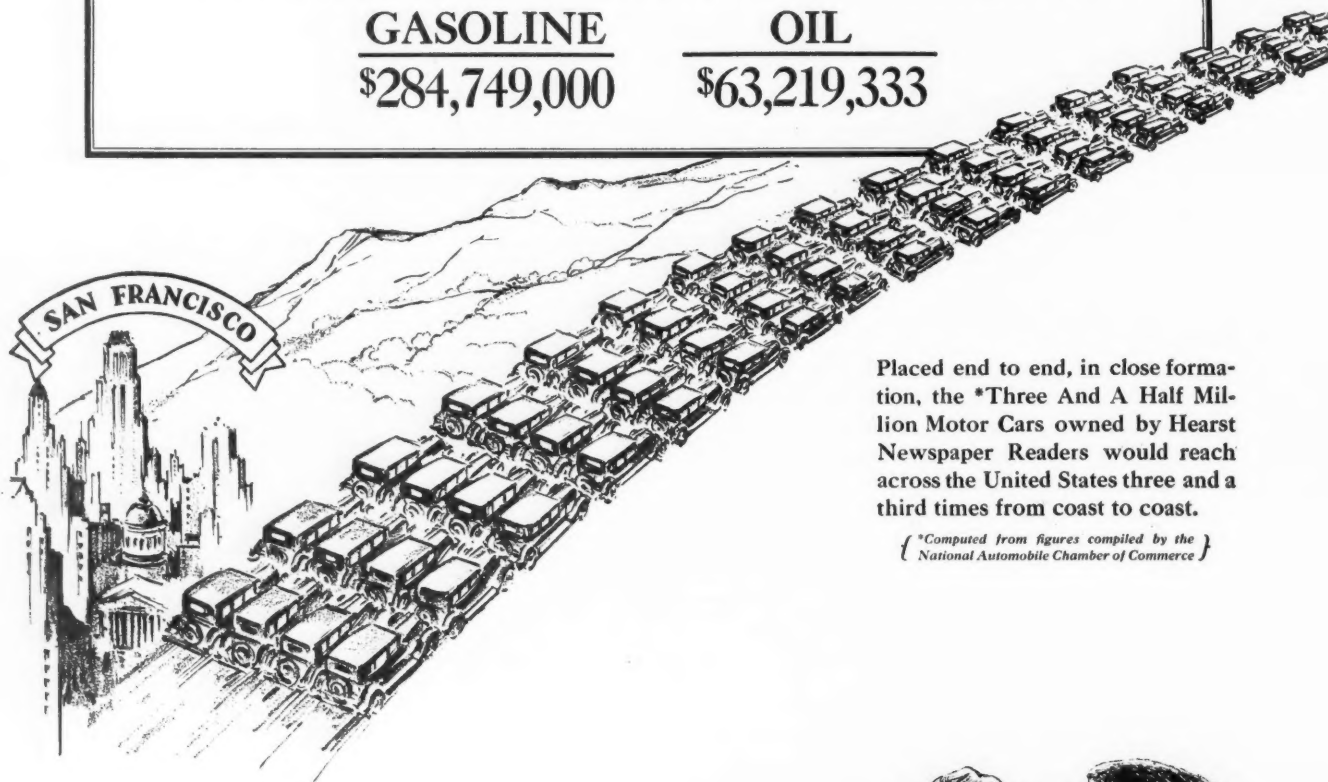
(Continued on page 108)

# MORE THAN 10,000 OWNED BY HEARST

HEARST READERS OWN 3,500,000 AUTOMOBILES

*Each Year They Make The Following Expenditures  
For New Motor Cars, Fuel And Equipment*

<u>AUTOMOBILES</u>	<u>TIRES</u>	<u>ACCESSORIES</u>
\$590,424,000	\$148,830,000	\$211,117,000
<u>GASOLINE</u>	<u>OIL</u>	
\$284,749,000	\$63,219,333	



Placed end to end, in close formation, the \*Three And A Half Million Motor Cars owned by Hearst Newspaper Readers would reach across the United States three and a third times from coast to coast.

{ \*Computed from figures compiled by the  
National Automobile Chamber of Commerce }



Keystone of the

TRUTH  
JUSTICE  
PUBLIC  
SERVICE

Hearst Newspapers

... Twenty Million Readers  
Spending Billions Every Year.

# HEARST

ALBANY TIMES-UNION  
ATLANTA GEORGIAN  
ATLANTA SUNDAY AMERICAN  
BALTIMORE NEWS

BALTIMORE SUNDAY AMERICAN  
BOSTON EVENING AMERICAN  
BOSTON SUNDAY ADVERTISER  
CHICAGO AMERICAN

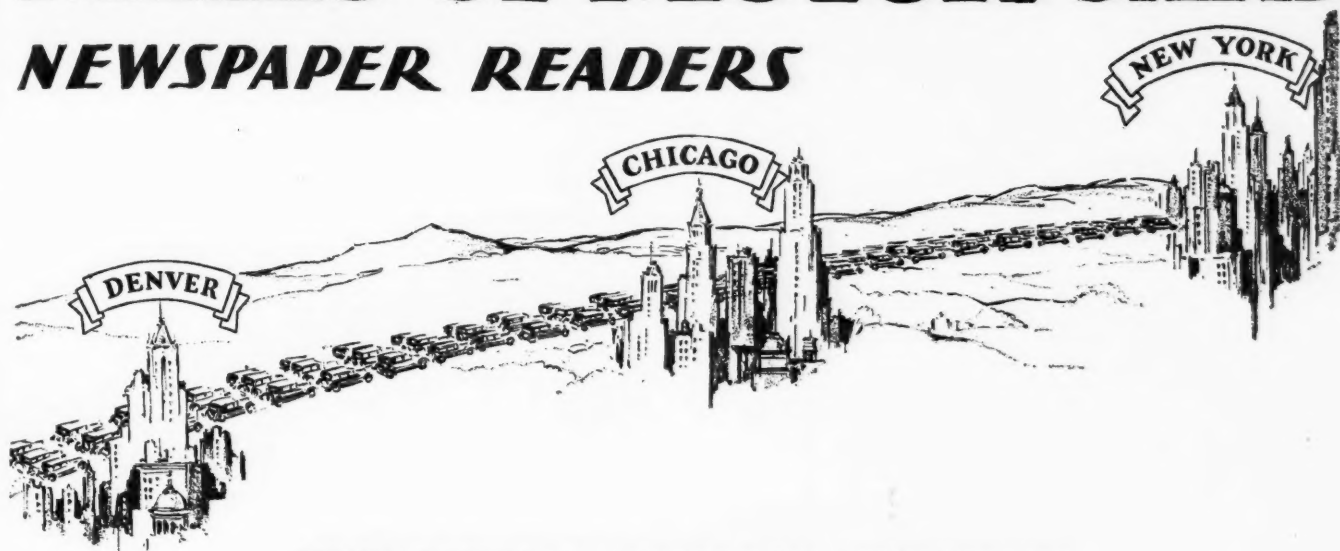
CHICAGO HERALD-EXAMINER  
DETROIT TIMES  
LOS ANGELES EXAMINER

LOS ANGELES HERALD  
NEW YORK AMERICAN  
NEW YORK EVENING JOURNAL



# MILES OF MOTOR CARS

## NEWSPAPER READERS



### VISUALIZING AMERICA'S GREATEST GROUP OF AUTOMOBILE BUYERS

**D**RIVING their own cars, they would make a parade of prosperity stretching across the United States three and a third times from the Atlantic to the Pacific. There are more than Twenty Million of them, Readers of Hearst Newspapers—more than Five Million Families owning over Three and A Half Million motor cars.

A progressive multitude of like-minded Americans, city dwellers, earning comfortable wages—among them outstanding leaders, men of large influence and large incomes—more than Twenty Million Representative Users of advertised products—more than Twenty Million People whose needs and purchases play a big part in the business of America.

North, east, south, west, Boston to Los Angeles, Atlanta to Seattle, they read Hearst Newspapers regularly. They take these favorite papers into their homes and take them for granted—it is an

established rite of their lives to read Hearst Newspapers every day with eager interest.

It is this remarkable loyalty and keen responsiveness of its readers which make Hearst Newspapers so effective for automotive advertising.

To many of the leaders of the automotive industry there is nothing new about this exceptional advertising value. For years they have been increasing the sale of their products by well-planned advertising aimed at this huge responsive throng of more than Twenty Million Hearst Newspaper Readers.

No other advertising reaches simultaneously such a great multitude of progressive American citizens—no other advertising enables the maker of automotive products to place his merchandise so promptly, so forcibly, and so economically before the eyes of over Twenty Million Responsive Readers who are *able to buy*.

# NEWSPAPERS

OAKLAND (CAL.) POST-ENQUIRER  
OMAHA BEE-NEWS  
PITTSBURGH SUN-TELEGRAPH

ROCHESTER JOURNAL  
ROCHESTER SUNDAY AMERICAN  
SAN ANTONIO LIGHT

SAN FRANCISCO CALL  
SAN FRANCISCO EXAMINER  
SYRACUSE JOURNAL  
SYRACUSE SUNDAY AMERICAN

SEATTLE POST-INTELLIGENCER  
WASHINGTON, D. C., HERALD  
WASHINGTON, D. C., TIMES  
WISCONSIN NEWS (MILWAUKEE)

# The Advertising Gallery

## Need of Steady Nerves made them turn to

### Tareytons smokers say

Men and women find they can smoke as many as they want, investigation reveals

Pace of modern life jumps Tareyton sales



#### AIR MAIL ARRIVES IN SPITE OF STORMS

Each week finds all records shattered... new peaks reached. What is the reason for these spectacular increases? The answer alone could not explain it.

"Find out," we told investigators. "Go talk to men and women who smoke Tareytons. Find out what kind of people they are... why they buy these cigarettes."

From every city—from every store... from every person interviewed came the same answer:

"I smoke Tareytons because my work requires steady nerves."

A broker who could lose a million by one flustered moment... found a package of Tareytons smoked during hectic hours on the Stock Exchange floor didn't tax his nerves.

An aviator said he could smoke all the Tareytons he wanted and confidently face a treacherous night on the air mail route.

A trained nurse said her nerves never get jumpy when she smokes Tareytons.

All typical stories. From busy, active people just like yourself. People whose work demands a steady nerve and a clear, quick mind.

The Tareyton blend is a secret process. It chooses tobacco prepared in a special way.

People tell us they can smoke one and two packs a day... and still keep nerves fit.

Make this simple one-week test yourself. Smoke as many as you want... but smoke nothing else.

You'll like the flavor... it's full-bodied, smooth and mild. And after seven days of Tareytons you'll notice a difference in the way you feel. Steadily served!

1. Humble Package, 2. Heavy Pack, 3. Quality Tobacco, 4. Solid Performance. That's why there's no dryness... no cracking. The extra heavy and smooth Tareyton humbler package assures you a fresh full-bodied smoke down to the last cigarette.

Look for Plain 15¢

AIR MAIL ARRIVES IN SPITE OF STORMS! This remarkable night photograph was made right at the flying field and shows Pilot Blair serving O. K. after landing head winds for three hours on the air mail route. You'll notice that he's lighting a cigarette... and it's a Tareyton all right. When asked about cigarettes Pilot Blair said: "It takes nerves under steady control to bring the air mail through night after night. It's a not tough job. That's why I always smoke Tareytons—you'll find that most pilots do." Surely that's sound advice for all smokers to follow. Stick to Tareytons if you want nerves in sound condition.



HERB HAS DIFFICULT JOB—watching paint after operation. Picture shows Herb, Mahatma V. Pan is his name. Off duty Herb Pan smokes a great deal... watches his nerves. "Of course I smoke cigarettes," he said, "when a package a day. I always smoke Tareytons. And keep my nerves in sound condition."



RADIO OPERATOR HAS HEUTIC NERVE—This picture was made at Cecil V. Mandel, Chief Radio Operator on board the S. M. S. Aquitana. He's shown smoking his favorite cigarette... Tareytons. "I smoke them because I must keep my nerves steady," he said.



Herbert TAREYTON

The twenty-five cent cigarette... now

15¢ for twenty

© 1929, The Union Tobacco Co., New York

Federal Advertising Agency, Inc.



## The Ears of the Underworld

—you never know when you are within their hearing

TODAY'S thieves, burglars and stick-up men are fiendishly clever. "Second offenders" can not afford to take chances. They usually avoid the homes of those who are known to be armed. For there are plenty of safer victims.

If you own a Smith & Wesson revolver, let it be known.

Talk about it as a matter of course. To have such conversations repeated is often alone enough to save you the necessity of firing. You are not only known to be armed, but known to be armed with the most dependable and accurate revolver ever made.

Our Descriptive Booklet "A" will be sent free upon request

**SMITH & WESSON**  
SPRINGFIELD, MASS., U.S.A.

THE REVOLVER MANUFACTURER

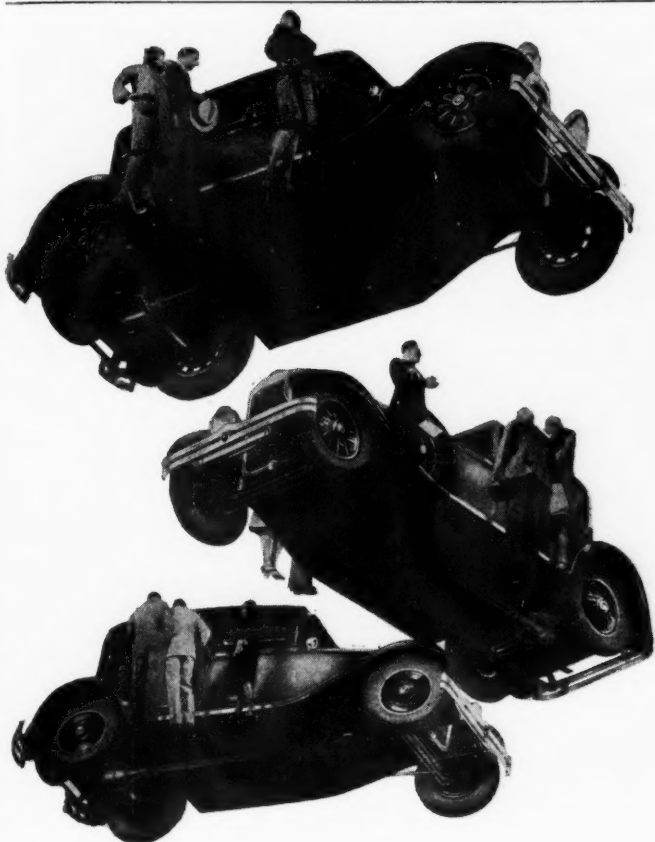
The .38 and .38 caliber S & W Safety makes accidental discharge by adults or child impossible

Picard, Bradner & Brown, Inc.

Smith & Wesson's good advice, to let it be known that you own a Smith & Wesson, while discouraging thieves also encourages word of mouth advertising.

And now, having cured our cough and foiled our fat, tobacco offers to steady our nerves. Can the rapid purchase of drug chains by cigar chains be in anticipation of the day when cigarettes will be sold only at the drug counter?





## The Under Side

You'll see many interesting things at the motor show—beautiful color schemes, luxurious fittings. The appeal is chiefly artistic—to the eye.

On the under side—less emphasized, taken too much for granted—there lie noise, or freedom from it; mechanical trouble, or lack of it; lasting satisfaction, or expense and disappointment.

On several noteworthy cars you'll see Timken Axles—evidence that the car makers build for your enduring satisfaction.

There is Timken Worm Drive, achieving the ideal of dead silence in the rear axle; and giving the lowest possible center of gravity with full headroom and ample road clearance—real safety factors. There are Timken Bevel Gear Axles, permanently quiet; built to standards which cause their selection for quality cars. There are Timken Front Axles, sturdy guarantees of safety and easier steering under the stresses of front wheel braking and higher speeds.

As in each successive automobile show for a quarter-century there are cars made still better, by still better Timken Axles.

THE TIMKEN-DETROIT AXLE COMPANY, DETROIT, MICHIGAN



# TIMKEN AXLES

Direct

Heroic efforts are needed to draw attention from appearances and put the spotlight on working parts.

# CHRYSLER

## BEAUTY is no chance creation

FOR the first time in the history of motor car design an authentic system has been devised based upon the canons of ancient classic art



The most modern thing in motor car design—Chrysler's matching of slender-profile radiator with cowl bar moulding—has its artistic origin in the repetition of motif in the historic frieze of the ancient Parthenon.



Note how the dynamic symmetry of Chrysler's tender contours and wheels expresses the very essence of life and motion, just as does their counterpart in the "wave border" of the classic masterpieces of architecture and design.



The Chrysler front elevation indicates the influence of the Egyptian lotus leaf pattern. Modified to its modern application, it is perfectly proportioned, and applied with consummate artistry in blending beauty and utility.

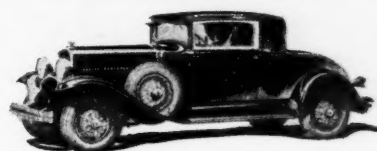


Artists know this as a "rising, diminishing series." The level road, the slightly arched bumper, the shorter arched tie-rod above, and finally the shorter and more deeply arched radiator contour, form a series in perfect harmony.

Makers of jewelry and goods of decorative value have long gone to the museums for inspiration; architects have studied ancient ruins for designs. It is only natural, with beauty so important to automobile sales, that producers should seek the fundamentals.

MacManus, Incorporated

CHRYSLER designers realize fully that beauty is an elusive thing and that the pursuit of it in motor car design must not be hampered by too rigid adherence to laws and conventions . . . But Chrysler also has found that there are so many glorious precedents and inspirations in art, architecture and design, that the search for authentic and harmonious symmetry can actually be reduced to something like a scientific system in which results are certain . . . Chrysler has left nothing to chance . . . Chrysler has not relied alone upon the inspiration of individual designers . . . Chrysler has sought instead to do something never done before in motor car design—to search out *authentic* forms of beauty which have come down the centuries unsurpassed and unchallenged and *translate* them in terms of motor car beauty and motor car utility . . . The lengths to which Chrysler designers have gone in this patient pursuit of beauty will doubtless prove a revelation to those who have probably accepted Chrysler symmetry and charm as fortunate but more or less accidental conceptions . . . The Chrysler process goes far deeper than any charming but accidental conception.



All Chrysler models will be exhibited at the National Automobile Shows, and at special displays in the Commodore Hotel during the New York Show, January 9th to 13th; and in the Ballroom Room and entire lobby space of the Congress Hotel during the Chicago Show, January 16th to February 2nd.

## W. C. Durant Retires; New Interests Will Manage Company

In an address to dealers at the Roosevelt Hotel, New York City, January 10, W. C. Durant announced his retirement from active management of Durant Motors, Inc.

At the same time Mr. Durant announced the appointment of R. T. Hodgkins, general sales manager, as the "advance guard of a new executive group," which will assume direct charge.

Mr. Durant said, however, that he is not completely retiring from the business in which he has been active for more than a quarter of a century, and will retain some financial interest in it. "Within a very short time," he said, "the name of the other new executives will be announced."

The account of Durant Motors, Inc., has been placed with George Harrison Phelps, New York advertising agency. Rumors have been prevalent for several months as to the future activities of Mr. Durant. The most recent of these is the association of the name of Fred J. Haynes, former chairman of the board of Dodge Brothers, Inc., as head of the new company to take over Durant Motors, but this, SALES MANAGEMENT learned this week, is without foundation.

It has been said also, that Hupp-Chandler-Cleveland, Inc., in which Mr. Durant is said to have obtained an interest, would become part of a larger combine, but this also has not been confirmed.

The change in management of Durant Motors is not entirely unexpected.

The sale of Durant cars has not of late been comparable with that of their competitors. Last year the Star car (the name of which was changed in April to the Durant Four) ranked tenth in sales, while the three other well-known fours, of Chevrolet, Ford and Willys-Overland, were first, second and third, respectively, in unit volume. Sales of the Durant Sixes also have slackened.

In this connection, however, it is only fair to note that the bulk of the Durant business is concentrated in the Middle West, the Pacific Coast and abroad. The East has not been so fully acquainted with his activities.

On several occasions, Mr. Durant's methods have been criticised by his stockholders. In answer to one of these criticisms, he said a year ago, "this feeling of unfriendliness" and the "noticeable spirit of criticism because of the failure of the corporation to progress to the point of giving them a return on their investment," Mr.



R. T. Hodgkins

Durant believed, "has exerted a hampering influence in obtaining new and better distributors and dealers for our product; it has furnished a basis for disparaging statements of outsiders." Dealers also have been dissatisfied.

Founder and twice president of the General Motors Corporation, William Crapo Durant has been active in the automotive and carriage industries for forty-two years.

He established the Durant-Dort Carriage Company, at Flint, Michigan, in 1886, and soon developed it to a business of 150,000 carriages a year. Five years after the start of this century Mr. Durant organized the Buick Motor Company, and three years later the General Motors Corporation—acquiring the Cadillac, Oakland, Oldsmobile and Northway motor companies in the process. In 1915 Mr. Durant obtained a controlling interest in General Motors Corporation, and the same year organized the Chevrolet Motor Company, an \$80,000,000 corporation, even then a potential rival of Ford. He dominated General Motors and Chevrolet until 1920, when the DuPonts gained control.

In January of the following year Mr. Durant organized Durant Motors, Inc. Just recently he bought a large interest in the Paramount Cab Company—his association being announced by that company in full-page advertising space this week. It was pointed out, however, that he is not in control.

At the annual dinner of the automotive industry, in connection with the Auto Show in New York Tuesday night, it was noted that Mr. Haynes had no contact with members of the Durant organization.

## Seiberling, Goodyear and U. S. Rubber May Consolidate

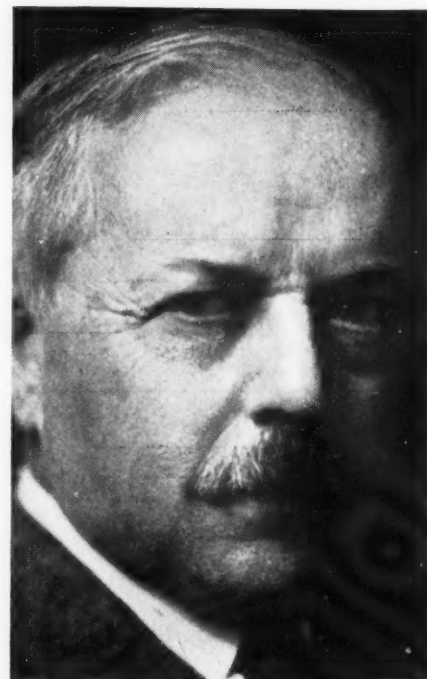
Negotiations will probably be completed this month for the merger of the Goodyear Tire & Rubber Company, United States Rubber Company and the Seiberling Rubber Company, into a new corporation which will be probably twice as large as any rubber concern now operating.

The concern will be headed by F. A. Seiberling, president of the Seiberling Rubber Company. Mr. Seiberling, former president of Goodyear Tire & Rubber Company, is regarded as an outstanding figure in the rubber industry. He was elected this week as president of the Rubber Association of America.

At present the Goodyear company is the largest rubber organization in the United States.

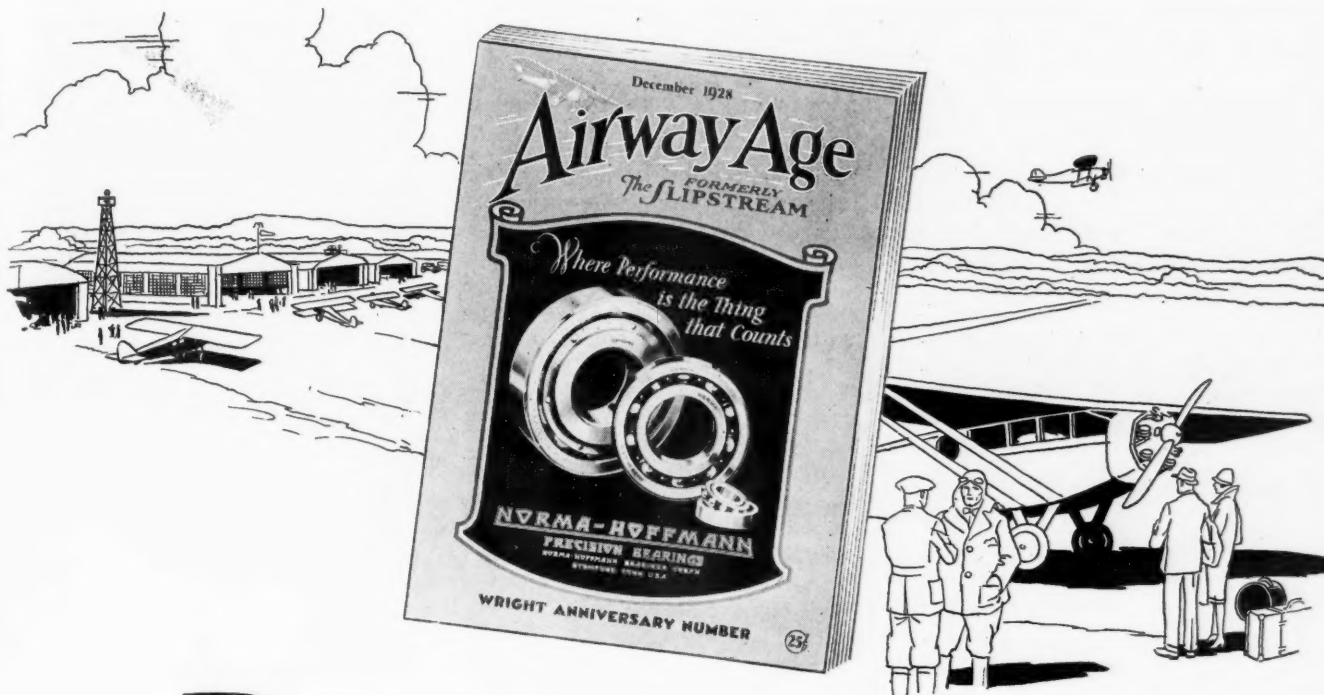
Other officers elected by the Rubber Association of America at the annual meeting were Samuel Woolner, Jr., Kelly-Springfield Tire Company, New York, first vice-president; A. B. Newhall, Hood Rubber Company, Watertown, Massachusetts, second vice-president, and W. O. Cutter, United Rubber Company, treasurer. E. M. Bogardus, assistant treasurer, and A. L. Viles, general manager, were reelected.

The Rome Company, Inc., sleeping equipment manufacturer, of Rome, New York, has acquired the Premier Company of San Francisco. P. F. Malley, head of the Premier Company, will be vice-president.



F. A. Seiberling





## Recognized... for its *balanced high quality editorial contents*

**T**HE hundreds of comments coming unsolicited from every branch of the aviation industry and the astonishing rate at which subscriptions are being received is proof of the manner in which *Airway Age* is recognized and appreciated wherever men are actively engaged or interested in aviation.

The quality of its editorial contents is the reason for the high regard for *Airway Age* among pilots; plane owners; airport, air service and air transport operators; aircraft and engine manufacturers and aircraft sales agencies.

*Airway Age* gives them the type of information they want . . . authoritative information embracing the technical, scientific

and practical phases of aviation and the marketing of aircraft, engines and accessories . . . information that is secured on the airway, at the airport, in the factory and laboratory and from the individuals who are furthering the development of aviation.

An advertising campaign in *Airway Age* is an effective sales influence . . . for this publication has earned through its editorial pages the respect and confidence of the buyers of aeronautical products used in the manufacture and operation of aircraft, at the airports and on the airways.

Simmons-Boardman Publishing Company  
30 Church Street New York, N. Y.  
105 W. Adams St., Chicago 6007 Euclid Ave., Cleveland  
Washington, D. C. San Francisco

# Airway Age

FORMERLY  
The SLIPSTREAM

## Business Paper Editors Predict Continuance of Merger Trend

The merger trend which characterized American business throughout 1928 may be expected to continue during 1929, in the opinion of 149 editors of business papers reported for the third semi-annual survey of business conditions, undertaken jointly by the Associated Business Papers and the National Conference of Business Paper Editors.

Results of the survey were announced today by F. M. Feiker, managing director of the Associated Business Papers.

Whereas, in former years, mergers were brought about chiefly for refinancing purposes, the editors believed that those contemplated for consummation during the present year have been undertaken to "find a way out of the difficulty of growing sales costs, ruinous competition and necessary research development, both as to products and markets."

"In some cases," the editors reported, "these mergers have taken the form of consolidations of productive groups to provide domination of the particular field. In others they have marked the coordination of production and merchandising even to the ultimate consumer."

"Editor after editor records mergers, big and little, within his field. Outstanding happenings of this sort are reported from the automotive industries, the chemical industries, the mining industries—except the coal field—and the furniture industries. The trend in these consolidations seems to have been an attempt not so much to reduce cost of manufacture as to provide unduplicated sales and distribution machinery so as to reduce gross cost of manufacturing and sales and to increase net profits. It is expected that the present year will see important mergers of automobile tire manufacturers, new combinations in the iron and steel industry for reduction of operating cost, and others in the textile industries for the purpose of decreasing operating and distributing costs."

"A trend for consolidation among equipment manufacturers is also noted and in such service fields as the operation of motor buses, the hotel field and the hospital field—both in the big cities and the smaller urban communities."

"In the merchandising fields there has been an outstanding merger of department stores and at the same time chain stores have given color to development in the consolidation of retail outlets."

"Nineteen hundred and twenty-eight marked the entrance of the chain store idea into fields of general merchandising outside of food supplies. Significant events in this respect are noted in the advent of local retail establishments owned and operated by the great mail-order houses. Chain stores are reported by the furniture publications to be sharply increasing, particularly in the Middle West and South. Canadian editors report a rapid movement to chain stores, particularly in the hardware, grocery, baking and dry goods fields. On the other hand, the chain store movement has not seemed to have increased in the boot and shoe trade. One observer states that the limit for chain store development seems to be that, of the total retail sales of any community, not more than 40 per cent can be done upon the cash basis required by chain store operation. That is, that the American consumer will not pay cash for more than 40 per cent of his total purchases."

"In the hunt to find ways to reduce selling costs and increase the margin of profit there appears to be, both in mergers and chain store merchandising, a development of staff organization so as to take advantage of the economic values of management under consolidated control."

"American industry is continuing to shift its location of plants to new areas which offer opportunities for more economic operation. This is particularly true of the chemical industry which has established important new plants in Virginia, West Virginia, Georgia and Alabama. The textile industry is continuing to shift its mills to the South, but this is less marked than in recent years. Specialty textile mills are now the ones moving southward, while at the same time there is a distinct trend of silk mills toward New England. The furniture factories are showing a trend toward the Southwest and restaurants are moving away from congested shopping centers seeking neighborhood and wayside locations."

F. T. Bowers, vice-president of the Charles C. Green Advertising Agency, New York, for several years, is now general manager. D. J. Hinman, who was space buyer of the agency until about a year ago, returns to become director of the field laboratory.

A new radio program department has been established under the direction of Arthur Philips.



E. G. Weed

### Pyrene Names Weed to Direct Sales

E. G. Weed, for the last six years president and general manager of Pyrene Manufacturing Company of Canada, Ltd., has joined the Pyrene Manufacturing Company, Newark, as vice-president in charge of sales and advertising.

For more than two decades Mr. Weed was connected with the American Ever Ready Works and the National Carbon Company; more recently he was western manager in charge of National Carbon Company, Chicago.

Mr. Weed's latest position is in a sense newly created. Walter Bauer, president of the company, who died last year, was actively in charge of sales, and Mr. Bauer's successor has not yet been chosen.

### Plough Chemical Spends \$1,000,000 in Promotion

A \$1,000,000 advertising campaign—including semi-weekly insertions in 400 newspapers throughout the country, full-page color space in the *American Weekly*, rotogravure space in Sunday newspapers and copy in fourteen national magazines and farm papers—will be started this month by the Plough Chemical Company of Memphis, makers of St. Joseph's family medicines and Black & White beauty preparations.

In some newspapers copy will appear almost every day. The rotogravure space will feature prominent screen stars—tying up with pictures as shown.



## Form Cooperative Grocery Chain in New England

A cooperative chain of grocery stores has been established in New England, through a merger of eighty-three independent retail grocers with five wholesalers and food-packing concerns. The new chain, to be known as Colony Food Stores, has headquarters at Cambridge, Massachusetts.

Included in the merger are Rival Foods, Inc., packers and wholesalers; Hathaway Baking Company; Herlihy Brothers, milk company; Chamberlain & Company, wholesale meat and provision distributors, and H. E. Gustin & Sons, wholesale produce distributors.

Although the organization follows chain store lines, each store retains its independence and individual ownership. There will be a uniform color front and distinguishing sign for each store. General management will be handled by an executive committee of five representatives of member stores and five representatives of the distributors.

A system of cooperative advertising has been adopted by which all receive the benefit of display advertisements of the chain, together with advertising of various food products featured on the same page and mention of their own names and addresses. Local advertising will be done by individual stores. The promoters plan to extend the chain nationally.

## Prune Growers to Start Aggressive Selling

The California Prune & Apricot Growers' Association has announced a new form of organization and new operating and merchandising policies. Instead of holding up sales with a view of securing an arbitrarily fixed price, the association has adopted an aggressive selling and merchandising program, announced O. A. Harlan, San Francisco packer, who has been placed in charge of the marketing program.

The Weston Barnett Company, Waterloo, Iowa, advertising agency, operating branches in Chicago and Minneapolis, has established a third branch in Rock Island, Illinois, with L. C. Chapin in charge.

C. E. Sears, for the last five years director of publicity for the Maccabees, became advertising manager, January 1, of the White Star Refining Company of Detroit.



Col. Fred Cardway

## Sanford Motor Trucks Appoint Fred Cardway

Col. Fred Cardway of New York, who several months ago became interested in the international distribution of Sanford Motor Trucks, has been elected vice-president of that company, and will have complete charge of international affairs.

Colonel Cardway has also just been appointed vice-president of the Alexander Aircraft Corporation, division of Alexander Industries, Inc., Colorado Springs, Colorado. He will have charge of the international business. Colonel Cardway, who heads his own export organization in New York, will continue to direct export sales for Pierce Arrow.

## Chicago Tribune Starts Two-Color Advertising

The use of two-color advertising in its daily editions was inaugurated last Monday by the Chicago Tribune.

The advertisement consisted of a full page published by the Davis Company, department store. Owing to mechanical reasons the second color is available on week days only and in page units only. The color printed from a letter press must be kept clear of the black, and only those plates which do not require accurate register can be accepted at present.

## Wholesale Dry Goods Meeting to Analyze Survey of Industry

First results of the United States Government's study of dry goods wholesaling will be announced at the annual meeting of the Wholesale Dry Goods Institute in New York, January 22-23. New wholesale merchandising methods and new relations with retail manufacturers will also be discussed.

Christie Benet, general manager of the Interstate Cottonseed Crushers' Association, and a former United States senator from South Carolina, will address the annual banquet January 22, on "Stabilizing Business Through Self-Government."

On the convention program are J. Frank Grimes, founder and president of the Independent Grocers' Alliance, who will speak on "What the Wholesaler Can and Should Do For the Retailer"; Theodore H. Price, publisher and editor of *Commerce and Finance*, on "The Business Outlook and Economic Trends"; and E. M. West, business adviser, on "The New Wholesaling". Other addresses will be made by S. M. Bond, president, and Alvin E. Dodd, director general of the institute. J. W. Millard, business specialist of the United States Department of Commerce, will present the first results of the government study of a typical dry goods establishment.

## Retailers Will Study "Consumer Demand"

"Consumer Demand—The Merchant's Guide," will be the theme of the eighteenth annual meeting of the National Retail Dry Goods Association at the Hotel Pennsylvania, New York City, February 4-8. More than 2,000 merchants are expected.

Prominent among speakers scheduled are Dr. Hollis Godfrey, president of the Engineering-Economics Foundation, Boston, who will deliver the keynote talk; J. Sherwood Smith, of Calkins & Holden, New York agency, and Robert W. DeForest, president of the Metropolitan Museum of Art.

On Monday, February 4, the national councilors, the members of the board of directors and chairmen of the Associated Groups, will be guests of Mr. DeForest and his staff at tea at the museum.

Albert Swanson has resigned as auditor of the Motor & Equipment Association to become secretary of Arthur R. Mogge, Inc., Chicago advertising agency. Mr. Swanson will also have charge of production.





## They Say That—

R. B. Batchelder has been elected to the newly created post of sales manager of the Oakland Motor Car Company. He will serve under W. R. Tracy, vice-president in charge of the domestic sales program for 1929.

William F. Earls, formerly manager of the general advertising department of the United States Rubber Company, has been appointed general advertising manager for the entire company. George Walker remains as advertising manager of the tire department.

Norman Heffron has been elected vice-president in charge of advertising production of the Millis Advertising Company of Indianapolis. Mr. Heffron has served as account manager of the Frigidaire and Delco-Remy accounts for the Geyer agency in Dayton for the past few years.

A. VanDerZee, regional manager in Detroit of Southwestern sales for the Chrysler Corporation since 1927, has been named a director of sales—devoting his efforts chiefly to sales promotion on the new Plymouth line, low-priced model.

H. M. Smith, who has been acting district sales manager for Baker Associated Companies at Salt Lake City, has been appointed district sales manager for both the Post Products Company and Baker Associated Companies in the Salt Lake territory.

Electric Vacuum Cleaner Company, Inc., has increased the duties of its sales promotion manager, Oliver B. Capello, to include the direction of advertising.

Bower & Kaufmann of Philadelphia, maker of Titania silk hosiery, has established a Western branch in San Francisco, under J. V. Lobe.

Judd W. Spray has become vice-president and general sales manager of the Timken Roller Bearing Company of Canton, Ohio. He has been general sales manager of the company since 1926 and previously general sales manager of the automotive division at Detroit.

## Chase Introduces New Auto Robe

The Chase Sportone, a new individual automobile robe made by the Sanford Mills of Maine and marketed through L. C. Chase Company of Boston, is now being introduced nationally. Advertising is handled by S. A. Conover Company of Boston and sales through the main office of the Chase company in Boston and branch offices in New York, Cleveland, Detroit, Chicago and San Francisco.

The Chase company has manufactured automobile and carriage robes for generations. The new robe, of soft plush, is available in two sizes and 300 two-color combinations. It is being featured at the automobile shows in New York, Chicago and elsewhere. A preliminary test of the market was made last month through Jordan, Marsh & Company, Boston department store, which introduced it as gift merchandise.

More than 100 department, specialty and fashion stores of fifty-three cities will participate in the Amos Parrish Fashion Merchandising Circle, to be held at the Savoy-Plaza, New York, January 14-18.

On the program will be a review of fashion merchandising methods of prominent stores, analysis of prevailing fashions, sources of fashion information, methods of charting trends of fashion and fashion buying and selling in the Spring and Summer.

## Frank E. Gannett Buys Brooklyn Daily Eagle; Enters New York City

The Brooklyn *Daily Eagle* was acquired this week by Frank E. Gannett, head of the Gannett chain of sixteen newspapers, from Herbert F. Gunnison.

Frank E. Tripp, vice-president of the Gannett Newspapers, has become acting publisher. Mr. Gunnison, who has been with the paper for forty-six years, more recently as president, will become chairman of the board of trustees.

Mr. Gannett's purchase of the *Eagle* signalizes his entrance into New York City journalism. The *Eagle* has a circulation of more than 80,000.

Mr. Gannett controls the third largest number of newspapers in the country. On graduation from Cornell in 1898 he was chosen by Jacob Gould Schurman, then president of Cornell, to accompany him as secretary of the first commission sent to the Philippine Islands. Two years later he became editor of the *Ithaca Daily News*. His first publishing venture was with the *Elmira Gazette*, in which he bought a half interest in 1907, merging with the *Elmira Star*.

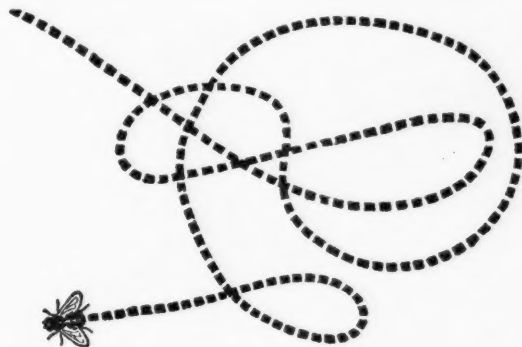
His chain of newspapers which was developed chiefly in New York State was extended into Connecticut last January, when he acquired the *Hartford Times* for \$5,000,000.

The first issue of the *Eagle* then known as the Brooklyn and Kings County *Democrat*, was printed in 1841. At first a vigorous political daily, among its early editorial executives was Walt Whitman, who resigned from the newspaper after two years as the owner did not approve of his vigorous anti-slavery editorials.

## Seek \$1,000,000 for Advertising Grapes

A \$1,000,000 advertising fund, to be used nationally in the promotion of all varieties of California grapes, is being raised for the 1929 campaign of the California Vineyardists' Association. All industries deriving direct profits from the growing, packing, shipping and marketing of California grapes are being asked by David D. Conn, managing director of the association, to contribute.

The association, Mr. Conn says, has made satisfactory progress in signing up both shippers and growers of grapes.



# What business needs is less motion and more movement!

*An editorial by*

W. C. Dunlap, Vice President in Charge of Sales,  
The American Multigraph Sales Company.

A recent analysis of the economic process reduces the whole thing to motions and material.

Manufacturing is a series of motions which change the shape of materials in adapting them to the needs of markets.

Selling and delivering are motions which change the location of materials so that they meet human needs.

Profit is the reward which society gives the organizer who can reduce the number of motions needed to bring materials and users together.

When profits shrink it means that there is too much motion and too little movement. Then someone has to find a way to cut out motions or get more movement.

Until recently the dominant tendency has been to find the answer in "high pressure selling," more "leg-work," more buzzing around, more motion instead of less.

In our own business we have tried another technique — selective selling. It works. It works because it is based on the sound principle of re-

ducing the motions needed to bring materials and logical users together.

Instead of scattering their effort promiscuously over the whole field, our salesmen now concentrate their effort on those specific markets where business can be obtained with less motion, or fewer motions — in other words, at lower cost.

As a result we now do more business with fewer salesmen. The business is decidedly more profitable. Salesmen are better paid. Customers are better satisfied. The whole system is on a sounder basis.

In applying this new principle we have developed a new Multigraph that simplifies selective selling and makes it both effective and economical. To this new Multigraph is due a good share of our success.

If this new modern way of selling interests you, I should be glad to give you further information about how our company and some of our customers have applied it. Address your letter to W. C. Dunlap, 1832 East 40th Street, Cleveland, Ohio.

*Do You Know  
Your Market?*

There is a new **MULTIGRAPH** for  
today's new selling conditions.



## The Sales Managers' Bookshelf

### New Values in American Business

THE thing you will like most in Gareth Garrett's "The American Omen" (Dutton) is his clear explanation of classic economic theories and his development of the thesis that American practice has disproved most of these "laws."

In the same category is "How I Found the Thing Worth Waiting For" by Mary Austin in the January *Survey Graphic*. She thinks most serious students of economic problems are definitely limited by the "pattern of dogmatic social economy." She sees the "rise of a new economic day" and finds it, not in the notions of the radical intelligentsia but in the practice of Big Business, specifically as presented by the *Saturday Evening Post*. She calls it "a mystical attitude toward the mastery of the economic environment . . . The economic radicals . . . are wasting their energies on invented devices for dividing the heap of wealth. *Henry Ford almost knows what he is doing!* (italics in original) . . . We are entering a new phase of social activity founded on a new and soundly scientific realization of the work of the spirit in the life of today . . . Europe is still trying to spin social regeneration out of its intellect . . . Probably Asia is nearer to us today than Europe."

Miss Austin does not talk in terms of economics but of sociology: The Stone Age Man who had "good medicine" piled up certain possessions which were of no special use to him or to the then existing social order; now we are passing through a period in which wealth, which gravitates to men of certain natural aptitudes, is of value to the wealthy man and begins to be really a social benefit.

Mr. Garrett wrote part of his book for the *Saturday Evening Post*, which Miss Austin praises as the economic

Bible of the new dispensation. He insists that most offhand explanations of American world-supremacy are wrong: American prosperity is not due to the war, or natural resources or mass production or standardization, but to the distinctive characteristics of the American mind—ability to see things, naively, with no preconceptions: just what, in short, is sometimes called "the outside viewpoint."

He outlines our inheritance of economic theory from Adam Smith and Malthus and Ricardo, especially the idea of a natural wage and a wage fund; and shows how a native American doctrine arose to the effect that production is the only limit to capital, or profit, or wages. Excellent practical summaries of Taylorism, beginning with time motion study and now arriving at a consideration of cultural values in the day's work; of Foster and Catchings' theory that spending is less ruinous than saving; and of the "dilemma of quantity," hand-to-mouth buying, the modern wage policy of the American Federation of Labor, the menace of overproduction, etc., etc.

"The American Omen" is not a book to be skimmed or to be high-spotted in a few paragraphs—but to be studied slowly and digested with time, thought and care.

### The Other Side

"Is American Capital Intelligent?" asks Abraham Epstein, the executive secretary of the American Association for Old Age Insurance, in the January *American Mercury*. His answer is "No"—first on the grounds so often taken that capitalist production costs the consumer too much, especially for distribution; and secondly (his own special field) because American industry is so slow to develop a sense of social justice. Whereas Miss Austin and Mr. Garrett see a definite ten-

dency toward this development of a social sense, Mr. Epstein considers the "New Industrialism . . . unalterably opposed to state insurance . . . pensions to widowed mothers." Private welfare schemes are financially unsound and "contain the seeds of bitterness and discontent."

### "The Use of Style and Design in Industry"

The Policyholders Service Bureau of the Metropolitan Life Insurance Company has published under this title an excellent compilation of material gathered from about a hundred companies in very diverse fields. Victor Talking Machine, Towle Manufacturing (silver), Marmon Motor Car, Kelvinator, Thor Washing Machine and many others are quoted on the importance of style. Some valuable figures on percentage of production devoted to new styles and designs in several industries: one silverware manufacturer says 90 per cent of the line is staple; another's patterns average a life of ten years.

Far more important is the material on style policies, on the exchange of information about style and design, on the analysis of styling and designing processes (Gorham, Dennison, General Electric, American Woolen), on balancing staple and styled goods (Cheney 3-phase control, W. & J. Sloane), checking styles in production (Whittall, Dixon Crucible, Printz Biederman), selling style (Armstrong Cork), dealer cooperation (Printz-Biederman again, Hunter Manufacturing, Corticelli, Standard Textile Products, etc.).

There are ten practical suggestions of what to do to secure dependable profits from style and design.

### Commercial Art in Great Britain

"Drawings for Advertisements, Book Illustrations, etc., How to Prepare and Sell Them" by W. R. Maxwell Foster (A. & C. Black, London) is a good "how" book, but just as British as you would guess from the title and the author's name. The practical suggestions are excellent, and many apply as strongly here as in the British Isles. The illustrations are a treat—at least the line drawings and posters are, though the halftones are sad, for that process has never been acclimated in London! Beautiful technique in drawings is accompanied by pathetically amateurish advertising layouts.

### The Tired Business Man

Fatigue is not a badge of merit—not in today's social organization, says H. M. Johnson of Mellon Institute in



## Largest Daily Newspaper in Both in Circulation and Volume of

**Our newspaper advertising in Los Angeles must be completely efficient. We believe that by confining our entire appropriation to The Evening Herald we have made it so.**

**E. A. MORRISON**  
**President, E. A. Morrison, Inc.**

In October, 1909, the first unit of the present great grocery chain of E. A. Morrison, Inc., was opened for business on the corner of Western Avenue and Hollywood Boulevard (then Prospect Avenue) in Los Angeles. It was just an ordinary grocery store at first, but it had an idea of service behind it. That idea, carefully followed out, spelled success for the little store on Western Avenue; and soon other units in other sections of the city were opened—until today E. A. Morrison, Inc., operates 85 separate retail stores in Southern California, most of them being in Los Angeles and in territory immediately adjacent to the city.

Several years ago Mr. Morrison realized that the business of his organization could be greatly increased by the judicious use of newspaper advertising. He carefully studied the newspaper situation in Los Angeles, analyzing the comparative rates and circulations of the various papers and watching the policies of his competitors. After a complete survey he decided to confine his entire Los An-

geles newspaper advertising to The Evening Herald. Starting modestly at first, his advertising space has been steadily increased until now Morrison's maintains a substantial and consistent schedule.

During the first Eleven Months of 1928 Morrison's used 16,408 Agate Lines of Display Advertising in Los Angeles—and every line of it appeared in The Los Angeles Evening Herald. No other metropolitan newspapers have been added to the schedule, and in three years the gross volume of business has increased from a total of \$1,800,000 in 1925 to more than \$3,000,000 in 1928.

Mr. Morrison says that this policy of concentrating his entire schedule in The Evening Herald has been completely satisfactory.



*and we are convinced that we have received the most satisfactory results possible from our newspaper advertising by concentrating our entire schedule in The Los Angeles Evening Herald.*

**E. A. MORRISON,**  
**President, E. A. Morrison, Inc.**

## the West Advertising

He states that the enormous circulation of The Evening Herald, concentrated as it is 96% right in Los Angeles and immediate vicinity, brings a greater number of customers into his stores at less cost than any other available method of advertising.

Other large Los Angeles organizations, including

ALL the other large Chain Grocery Store Organizations, the Department Stores—in fact, nearly every large Los Angeles merchandising establishment whose advertising is definitely checked for results—are following the policy of concentrating the major part of their schedules in The Evening Herald. They know—as advertisers who investigate will know—that

### FOOD ADVERTISERS

This is one of a series of testimonial advertisements recording the growth and development of five large chain grocery organizations in Los Angeles—all of whom have been consistent and heavy advertisers in The Los Angeles Evening Herald. You will find these stories both interesting and informative.

### Chain Grocery Store Advertising Lineage

*All Los Angeles Newspapers—First Eleven Months 1928*

LOS ANGELES EVENING HERALD (six issues a week).....	484,358 Agate Lines
Second Paper (morning and Sunday).....	167,342 Agate Lines
Third Paper (evening).....	118,468 Agate Lines
Fourth Paper (morning and Sunday).....	115,724 Agate Lines
Fifth Paper (evening).....	40,264 Agate Lines
Sixth Paper (morning).....	4,662 Agate Lines

*The Evening Herald carries MORE Chain Grocery Store Advertising than all other Los Angeles newspapers, morning and evening, daily and Sunday COMBINED.*

**Any Schedule Designed  
to Cover Los Angeles  
Must Begin With The**

## LOS ANGELES EVENING HERALD

Represented in

New York by HERBERT W. MOLONEY, 342 Madison Ave.	Chicago by JOHN H. LEDERER, 910 Hearst Bldg.	San Francisco by A. J. NORRIS HILL, 610 Hearst Bldg.
-----------------------------------------------------------	-------------------------------------------------------	---------------------------------------------------------------

**One of the Twenty-eight Hearst Newspapers  
Read by More than Twenty Million People**

Member of International News Service and Universal Service  
Member of Audit Bureau of Circulations

an article on "The Real Meaning of Fatigue" in January *Harpers*. He points out that fatigue and intoxication and asphyxiation all have the same diagnostic marks. The body that is fatigued is poisoned.—Interesting lessons are to be drawn for our own personal hygiene: the author groups together the exaltation of modern fatigue, of certain degrees of intoxication and of aviators in asphyxiation tests. And this looks like a mine of new ideas for advertising copy of certain products.

### The Pacific Coast Market

Not a standardized market survey, but quite deserving a place in a file of Zones and Territories is the material on pages fifty-one to eighty inclusive of the January *Review of Reviews*.

This is the first issue in the new big page size—so the thirty pages mean much more matter than last year. This large fraction of the whole issue is devoted to the Far West. Allan Nevins writes "From Wilderness to Empire!" Nicholas Roosevelt takes up the subject of international politics and commerce in "The Pacific Era Begins?" The historian Agnes C. Laut explains "Why the Coast is Optimistic." Paul Shoup, president, Southern Pacific Company, describes the natural "Heritage of the West!" "Food from the Far West" is the topic treated by Lloyd S. Tenny, and Stephen T. Mather, director National Park Service, writes on the great tourist business of the Coast.

This number carries considerable Pacific Coast advertising, especially financial, chamber of commerce, etc.

position to take a leading position on the Coast.

The Glidden Company is the outgrowth of a series of important mergers which took place seven or eight years ago. This concern has been assiduously plowing back its earnings into the business and is now beginning to reap its harvest. The company has developed a number of by-products which are handsomely supplementing its paint and varnish lines.

Devco & Raynolds Company is another paint manufacturer that has been moving Northward, Southward and Westward via the merger route. Its most important recent acquisition was the purchase of Peaslee, Gaulbert Company of Louisville, the largest makers of paints and varnishes in the South. The merging of this house gives Devco & Raynolds a good crack at the paint business of the United States, up to the Rocky Mountains.

The Continental Can Company has been frequently in the merger news of late. It has been absorbing can-making concerns in all parts of the country. A can manufacturer can only do a national business by running a series of local plants. Factories have to be located in all large can-consuming industrial centers. That has been the policy successfully pursued by the American Can Company ever since it was organized as a "trust" back in the elder Morgan's days.

### Bakeries Spreading Nationally

The bakery business is another local trade. A bakery ordinarily does not sell beyond a few miles from its ovens. The National Biscuit Company began demonstrating about thirty years ago that a bakery can operate nationally, provided it extends a string of plants through the territory that it intends to cover. A number of other bakeries are now following in the National's footsteps. The United Biscuit Company of America has lengthened its market over several states by the acquisition of a number of locally strong biscuit makers. In the bread field, the Continental Bakery Company and the Purity-Cushman combine have followed similar methods in building a semi-national business.

But it is when we examine the dairy industry that we find the most striking example of how a business that used to be altogether local can become national by taking advantage of the opportunities offered by the merger method of expansion. The Borden Company has been the most conspicuous exponent of mergers in this industry. In the last few years it has acquired dozens of properties. In the last year it has been adding new companies by the handful.

## An Outline of Mergers

(Continued from page 79)

per cent of the total output. The six largest cement companies do less than half of the industry's business. A business such as this is ripe for mergers. We may expect to see several important combines consummated in it during the next year or two.

In many respects, the steel industry is similar to the cement industry. However, steel has already been the scene of many an important merger. In fact, it is the locale of perhaps the world's most successful merger—the United States Steel Corporation.

There are two grand divisions in the steel business—hot and cold. There are really only three hot steel producing centers in the United States—Pittsburgh and adjacent points, Chicago and vicinity and Birmingham. The hot steel industry, then, is national.

The cold steel industry, on the other hand, is essentially local. There are hundreds of producers in it. While most of these are fairly large concerns, they cover such a small territory that many of them do not have an interstate business. Only a few of these companies make any pretense of being national houses. McClintic-Marshall Company is one of these.

The United States Steel Corporation, however, is in both divisions of the industry and it operates nationally in both divisions. Through subsidiaries it competes actively with its customers in almost every branch of the cold steel business. This fact has given the industry a nut that it has been trying to crack for twenty years. The only way it can be cracked is through the formation of larger units

among the cold steel producers. These larger groups will be accomplished through mergers.

Freight rates is only one of the influences that tend toward the confinement of many manufacturing businesses to rather restricted territories. A number of products can be properly serviced only from the factory. If the factory is too far removed from the customer, dissatisfaction results. In other lines, shipments are always made from the plants direct to the buyer. In cases where the buyer purchases frequently, deliveries are accelerated by having the factory adjacent to its market.

The paint industry is a business of this kind. Unquestionably freight rates play a role in determining where a dealer will buy his paint stock, but accessibility of supply is probably a more potent influence. The paint trade has the habit of buying locally. Until recent years the average paint manufacturer covered only a few states. Now, though, it is the aim of the industry to nationalize its market. Several houses have at least a semblance of a national business.

It has been found that the best way to operate a national paint business is to have a chain of local plants. With this as one of the objects in view, there have been a number of consolidations in this industry. The most recent was the Jones & Dillingham merger, which took in a group of eight paint factories on the Pacific Coast. This combine is presumably not going after the national market. The affiliation, however, does put it in excellent

# ANOTHER VALUABLE FEATURE

Subscribers—present and prospective\*—  
will be glad to know that the personnel  
of all publications listed will be shown,  
starting with the January, 1929, issue.

## STANDARD RATE & DATA SERVICE

*The National Authority*

536 LAKE SHORE DRIVE

CHICAGO

\*For you



### Special 30-Day Approval Order

Standard Rate & Data Service,  
536 Lake Shore Drive  
Chicago, Illinois.

.....192..

You may send us—prepaid—the current number of Standard Rate & Data Service, together with all bulletins since it was issued, which we are to have the privilege of using 30 days. The cost of this service is \$30.00 per year.

If we are not convinced of the value of this Service at the end of that time, we shall return the issue and our obligation is ended. Otherwise, you may consider us subscribers and send a revised copy each month for one year. The Service is to be maintained by bulletins issued every other day.

Firm Name .....Street Address .....

City .....State .....

Individual Signing Order.....Official Position .....



What is behind Borden's tremendous activity? I don't think I am revealing any great secret when I state that the Borden management has decided that the future of the milk business lies pretty much in the direction of fresh milk. Canned milk sales are virtually at a standstill. There will always be a big sale for condensed and for evaporated milk, but the business on these products will not increase in proportion to population growth. The reason is that the supply of high-grade fresh milk is becoming universally available in this country. For many purposes canned milk cannot compete.

The Borden Company handles both fresh milk and canned milk. Its canned milk business is national, whereas until recently its fluid milk market was confined to New York and Chicago. The company sees that if it is to maintain its pre-eminent position in the milk industry it will be necessary for it to get into the fresh milk business in many more communities than it has been operating in. The quickest way to do this is to buy going companies in the cities that it wishes to enter.

Another factor is contributing to the Borden activity. Ice cream and cheese

have become important adjuncts of the dairy business. Any company that makes any pretense toward being a big gun in the dairy field must get into ice cream and cheese. This the Borden Company has been doing.

However, ice cream and, to a certain extent, cheese are made and distributed locally. To play a big part in this industry it is necessary to run local plants in the territories covered. Here we have an explanation of why the Borden Company is buying so many cheese and ice cream companies.

The day I started to write this article  
(Continued on page 106)

### TO THE BORDEN COMPANY STOCKHOLDERS

Continuing the expansion policy of this Company during the past year, we are pleased to announce that further contracts have been signed whereby The Borden Company will acquire either the stock or the assets and business of the following companies, effective in the early part of 1929:

F. X. Baumert & Co., Inc. including its subsidiaries:- W. A. Lawrence & Son, Inc. and Baumert Co., Ltd.	{ The first two operating in the United States and Baumert Co., Ltd. operating in Can- ada.	{ Manufacturers, Wholesale Dealers and Im- porters of cheeses, the principal brands being Eagle Brand Cream Cheese and Mil- itary Brand Camembert Cheese.
Risdon Creamery Gabel Creamery Co. Sandusky Milk Products Co. Consumers Ice & Creamery Co. Schneider-Holmes Company	{ Operating in the city and en- viroins of Detroit, Mich.	{ Manufacturers and/or Distributors of Fluid Milk, Cream, Ice and Ice Cream. (This will give us a substantial business upon our entry into the fourth largest city in the U. S.)
The Furnas Ice Cream Com- panies  Muldoon Dairy Co. The City Dairies Company	{ Operating in the cities of Indianapolis, Terre Haute, Fort Wayne and South Bend, Indiana, and Akron and Col- umbus, Ohio. Fort Wayne, Indiana. St. Louis, Missouri.	{ Manufacturers and Distributors of Ice Cream.
Chateau Cheese Co., Ltd. Moyneur Co-operative Creamery, Ltd. Laurentian Dairy, Ltd.	{ With headquarters in Ottawa, Canada.	{ Manufacturers and/or Distributors of Fluid Milk, Butter and Cheese.
Moores & Ross, Inc. including its subsidiaries:- Noaker Ice Cream Co. Hamilton Milk Co. Central Ohio Dairy Co.	{ Operating in Columbus and throughout central Ohio.	{ Manufacturers and/or Distributors of Fluid Milk, Cream and Ice Cream.
South Chicago Ice Cream Co. Jersey Ice Cream Co.	{ Chicago, Illinois. Chicago, Illinois.	{ To further improve our Ice Cream position in the Chicago territory.
Marshfield Milk Company	Marshfield, Wisconsin.	{ Acquired largely as a matter of procuring an additional milk supply.

In acquiring these companies, The Borden Company has adhered to its policy of expansion along logical lines with further strengthening and diversification of Borden business and earning power and with retention of the several efficient and high-class managements, as well as recognition of pronounced potentialities in each business acquired.

THE BORDEN COMPANY. ARTHUR W. MILBURN, President.

# A Great Year in Automotive Advertising for Boston newspapers and for the GLOBE particularly!

## New England's Automotive Market

Within 30 miles of Boston, nearly 3,000,000 people live. Average family wealth is \$9,000. Savings deposits average \$2,000 per family.

In this district 36% more new cars were sold last year than in the States of Maine, New Hampshire, Vermont and Rhode Island COMBINED.

In Middlesex County alone more new cars were sold than in the entire State of Maine, or in New Hampshire and Vermont together.

Of the 51 cities and towns in Middlesex County, where Boston Sunday papers list circulation, the Sunday Globe leads in 41, the second paper in 5.

In Suffolk County, second in number of new cars sold, the Sunday Globe also has a comfortable lead.

Norfolk County has a larger per family ownership of automobiles than any other county in New England. In this group of 27 communities the Sunday Globe leads in 23 and has half again as much circulation as its nearest competitor.

Thus, the Sunday Globe not only has the largest circulation in Boston's "City and Suburban" area, but is especially strong in the most important districts.

## Showing of standard size Boston papers in display Automobile and Automotive Accessory Advertising

(Figures from Boston Newspapers Statistical Bureau)

Globe	1928	1927	
(Daily and Sunday)	1,243,748 lines	1,058,396	Gain 185,352
*Herald-Traveler			
(Daily and Sunday)	1,129,578 lines	1,005,736	Gain 123,842
Post			
(Daily and Sunday)	1,096,623 lines	954,865	Gain 141,758
Transcript (Daily)	476,799 lines	345,077	Gain 131,722
Advertiser (Sunday)	386,066 lines	290,661	Gain 95,405
American (Daily)	228,396 lines	144,042	Gain 84,354

\*Includes Sunday Herald lineage bought in combination with daily evening Traveler.

All Boston papers enjoyed handsome gains over last year, and the Globe, with the largest gain of all, steadily increased its leadership.

The Globe also printed during the past year 978,161 lines of Classified Automobile Advertising, more than the next three papers combined.

\*\*\*

WITH the development of the "two-car family" market, the need of a family advertising medium becomes more and more vital. That the Globe is the home newspaper of Boston can be demonstrated in several ways.

In the first place, the Globe has a larger staff and prints more local and suburban news than any other Boston paper.

In the second place, the Globe alone of the three leading daily and Sunday papers, holds its readers in Metropolitan Boston seven days a week. On Sunday, the second paper loses 34%, the third paper loses 63% of its daily readers in this rich district. And Sunday circulation is home circulation.

Lastly, Boston merchants, whose business depends on reaching the home, place more advertising in the Globe than in any other newspaper.

The most important group of local advertisers, the department stores, places 51% more space in the Globe than in the second paper. With seven dailies and four Sunday papers to choose from, this group spends 37 per cent of its entire Boston newspaper appropriation in the daily and Sunday Globe alone.

# The Boston Globe

*Most Circulation where Most Cars are Sold*

## Chandler and Farquhar Tell What Lines They Like to Push

(Continued from page 80)

efforts given to a certain type of article, like cutters, for instance, upon one single company's line. Chandler & Farquhar finds that under this arrangement its salesmen put their best effort and enthusiasm into selling an article, whereas if two or three makes of the same kind of an article were carried the effort and enthusiasm would be divided.

The plan has several other favorable angles. For instance, it tends to produce volume sales in an article, making the handling of it worth-while to the manufacturer. And since he obtains volume sales, rather than being compelled to share the volume in the article with other manufacturers, he feels inclined to cooperate with Chandler & Farquhar to a greater extent.

### Both Are Gainers

Also under such a plan the distribution of a given article can be carried through more efficiently and with less expense than if the volume were divided among several manufacturers, so both the wholesale house and the manufacturer are gainers.

Mr. Currier cited the Skinner Chuck Company of Bridgeport, Connecticut, as an excellent example of a manufacturer which gives its wholesalers the best possible cooperation. In addition to following a policy of selling only through the wholesaler, this company refers to Chandler & Farquhar any inquiries regarding articles received from the wholesale house's territory.

Such an attitude, Mr. Currier contends, not only makes for a profitable business for both manufacturer and jobber in the end, but is an invaluable source of good will between maker and wholesaler. And in times of stress particularly the cordial relations between the two are bound to prove of mutual help.

That this should follow, Mr. Currier pointed out, is the most natural thing in the world. For in difficult times the wholesaler is far more inclined to put his knowledge, organization and enthusiasm behind the products of the firm that has stood by him than he is behind the manufacturer who has been a "fair weather" friend.

The New Britain Machine Company of New Britain, Connecticut, likewise has the appreciation of Chandler & Farquhar because it, too, observes

a policy of turning over inquiries to the jobber. Moreover, if the need is urgent or there are other reasons that mitigate against handling the inquiry through the jobber, the manufacturer ships the articles desired, but remits to the wholesaler the same commission that would be obtained if the latter had made the sale.

Quite often the company's plan of pushing only one concern's products of a given type automatically brings about the necessity of making a choice between two companies. And generally the decision boils down to taking on the line of the company which shows the greatest willingness to cooperate.

Some while ago there was a case in point. Chandler & Farquhar was offered the exclusive agency in its territory for Delta files, made by the Delta File Company of Delta, Pennsylvania. At the time Chandler & Farquhar carried the file line of another concern and though it looked with favor on the Delta proposition, to accept it would conflict with its one-firm's-products-per-line policy. Moreover, the concern whose files Chandler & Farquhar sold objected, so to have taken on the additional line would have meant the loss of a fairly satisfactory business.

### Also Using "Agents"

While the decision was in the balance Chandler & Farquhar discovered that the concern whose files it was carrying was not selling entirely through the wholesale houses, and was also doing considerable business through a number of "agents." That settled the matter. Chandler & Farquhar could not see why its salesmen should be compelled to compete with perhaps a dozen others who were trying to sell the same file to the same retailers. The first company was dropped. The Delta files were taken on.

The change proved to be a good one, according to Mr. Currier. He describes the Delta File Company as a "fine, loyal house"—the type with which he and his associates can do business on an unusually pleasant as well as a profitable basis. And he cites that company as an ideal one with which to deal from the jobber's viewpoint.

In the first place the company's products are of the best quality. Also

they are sold at one price. Further, the demand for them is heavy. Under such conditions, Mr. Currier stated—a high standard of quality, a standard price, a large sales volume, and, perhaps the best feature of all, unlimited cooperation from the factory—the utmost in satisfaction to both sides is bound to prevail.

Mr. Currier added that he is finding it more and more essential in coping with present conditions successfully for the wholesaler to sell on a quality rather than a price basis. And this naturally leads the company to lean in its sales efforts toward pushing articles of highest quality.

## Gooseneck Shovels, \$50 Hair Brushes and Jeweled Keys

(Continued from page 69)

a \$1 brush would sell, at the same time it proved that there were a very large number of people in the United States who were willing to pay the price of a first-class hair brush.

This concern also makes tooth brushes and nail brushes, and their entire line sells just about double the price of ordinary goods. Still the sales on these brushes in good times and in bad times have steadily increased. There has never been a setback in the business, not even when the ladies bobbed their hair.

That is one thing about establishing a business on high-grade goods—the business sticks. But when you are selling nothing but standard goods your business is built on sand. Anyone can supply the same kind of goods and an extra 2 per cent in the price shifts the order.

I am convinced, taking it all in all, that there is not a line of hair brushes in the United States that will compare in quality with this English line. This has been admitted by any number of brush manufacturers. This line has become the standard of high quality in brushes in this country. If you should read this part of my article to any dealer in brushes anywhere in the United States, he would immediately tell you the name of this line of brushes, and he would not have to guess which one it was out of several names. This one line stands at the top. Of course, the reason is simple. The quality of the brush is there, and the brushes, through years of patient selling, have been introduced to almost every worth-while dealer in the United States.

Now don't think that the salesmen who first started out selling these brushes were not "skunked" in many a store and in many a town. They



were, but they stuck. They showed samples. They persuaded the dealers to buy moderate quantities at first, and gradually the business grew to such a point that it was almost unnecessary to talk quality at all. When a salesman called on any department store in the country, selling fine goods in the brush line, it was only a question of looking up their stock and placing their order. But it was slow work at first—terribly slow, very disappointing and very expensive, but somebody had confidence and faith and kept up the work.

(The conclusion of this article will appear in SALES MANAGEMENT for January 19.)

### Business Indices

Further year-end figures which came out last week encourage the view that the new year starts in the midst of a lively upward swing. Steel ingot production in December was far above the output in December, 1927, the mills having been worked at 84 per cent of capacity, making a total for the year just short of fifty million tons, nearly 15 per cent more than in 1927. Some light was thrown on retail sales by December reports of twenty-three chain companies showing sales of \$191,484,062, a gain of 16.7 per cent. Distribution of goods was lower, affected more than usual by the Christmas holiday.

### Total Transactions

Bank clearings in twenty-three cities for the week ended January 3 totaled \$13,832,645,000, 9.7 per cent higher than last year. Fifteen cities outside New York made favorable comparisons, though the net advance was only 0.1 of one per cent. Debits against individual accounts amounted to \$20,688,096,000, up 12.5 per cent. Seven districts outside New York had net gains of 6.2 per cent.

### Distribution of Goods

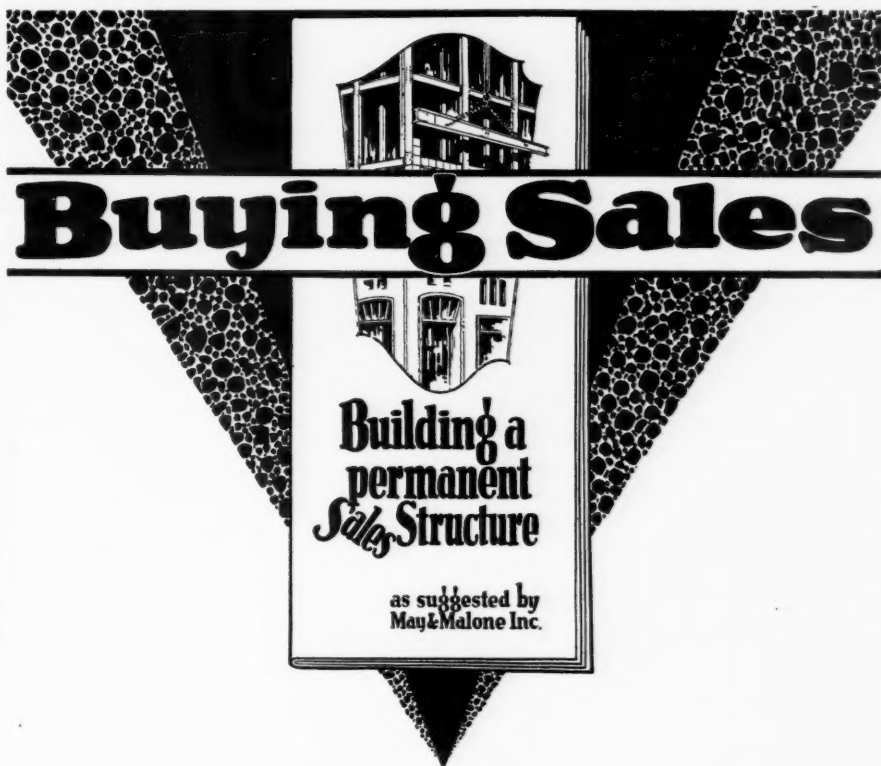
Owing to a large reduction in the movement of coal on the short Christmas week total freight loadings, 667,586 cars, were 12,968 cars less than in 1927 and 66,695 less than in 1926. In most other classifications there were gains over last year.

### Margin of Profit

Commodity prices were steady, the Irving Fisher Index being 97.0 compared with 97.2 the week before.

### Credit Conditions

Money was easier, the call rate ruling at 6 to 7, time loans at  $7\frac{1}{2}$  and commercial paper at  $5\frac{1}{4}$  to  $5\frac{3}{4}$ .



## A New Book (FREE)

Here is a valuable booklet, sent absolutely free on request to interested sales executives. It tells quickly and simply how to keep the salesmen on their mettle—how to maintain a spirit of friendly rivalry—how to reward the extra effort when made economically and judiciously.

The reward-for-services-rendered is a proved and practical method of building and maintaining sales volume. The many advantages to be secured from sales contests, the way to secure them and the pitfalls to avoid are discussed frankly and intelligently.

*Where shall we send your copy of  
"Building a Permanent Sales Structure?"*

**MAY & MALONE, Inc.**

*Wholesale Dealers*

37 S. Wabash Ave., Chicago, Ill.

MAY & MALONE, Inc.,  
37 S. Wabash Ave.,  
Chicago, Ill.

Date.....

Please send a copy of "Building a Permanent Sales Structure" to us.

Sales Manager .....

Company .....

Address .....

SM 1-29

*New England's Second Largest Market*

# Rhode Island Resources

The total resources of all Rhode Island banks for the year ending June 30, 1928, were \$584,945,073. This represents an increase of \$13,504,136 over the previous year.

Savings deposits in all Rhode Island banks for the year ending June 30, 1928, amounted to \$344,917,853, an increase of \$24,002,456 over the previous year.

This prosperous and responsive market offers excellent sales opportunities to advertisers who use

## The Providence Journal and The Evening Bulletin

*Circulation 120,000 Net Paid*



*Providence Journal Company*  
Providence, R. I.

*Representatives*

CHAS. H. EDDY COMPANY  
Boston New York Chicago

R. J. BIDWELL COMPANY  
Los Angeles San Francisco Seattle

## Ellis Bites His Thumb at Johnson's "Dumb-bell"

*(Continued from page 77)*

struction of which antedated the tenure of the incumbent proprietor."

Take a minute or two, and figure that one out. Then tell me how long it took you to get this one:

"The 'public intelligence' that we are so concerned about in relation to its ability to understand us, simply does not exist except as metaphor. What actually does exist, on the plane of objective reality, is an indeterminate and quite undefinable diversity of individual intelligences, each whole and complete in itself, and an equally undefinable diversity of activities."

Coming up on the train one morning I marked this bit of Johnsonian cipher and handed it to my seat-mate, a middle-aged, prosperous-looking stranger. He looked fully up to the mental level I've been led to expect of SALES MANAGEMENT readers, "undefinable" as they might be. He was at least a sample this magazine's advertising salesmen would be glad to put over as a reader type.

He studied the passage for a full minute, glanced up and down the column, shook his head and handed it back. "I get it," says he, "but I had to read it three times."

### Why Make It So Hard?

Next day I tried it on the Pacific Coast vice-president of a nation-wide transportation outfit. I counted seventy-five before he handed it back.

"Clear as mud," he said. "I had to read it twice to get the drift."

These chaps finally got it. But why make it hard? Why put anybody through a cross-word puzzle just because he *can* work it?

Carl Naether writes a good book, "Advertising to Women." Naether is a college professor. Teaches business English. On the third page is a 111-word sentence that I used to use for my stop-watch test, before friend Johnson's brain-twister hove in sight.

Just as I finished reading Naether's book I got another, by Edgar H. Felix, on "Using Radio in Sales Promotion." Felix, I understand, is an old Ayer man, trained to write advertising. His book is as long and as deep as the other, but I swear I read it in half the time and got twice as much out of it.

Sure I puzzled Naether out. Johnson, too, in the course of time, for I've been to college. That's where I learned the style Page told me to forget. I taught English in that college, too. Same brand of English I

now have to beat out of cub after cub in favor of plain United States.

It isn't contempt that tells me now to write down to the 'stistical level Roy warns us against. On the contrary, it's *respect*. Respect for busy folks' valuable time. A hunch that time is "of the essence thereof" if I want my advertising output read, even by the upper layers of that "undefinable diversity."

We all go back to simplest Anglo-Saxon when we get excited, think fast, shout. Help—fire—run—stop—lay down—to hell with grammar and Latin or Greek derivatives in a pinch. Back we go to our five-year-old stuff and blush about it afterwards.

That's what we all like best and get the fastest. I'll leave it to Goode and Powell to prove we're dumb-bells and *can't* get anything knottier. I'm willing to stick to dumb-bell talk just to make things easier. If they make their straw-figgers stand up then I'm that much more to the good.

### Getting Ideas Across

All along I've been sticking to the test of advertising in print or on the air—advertising to masses—as the single means of getting ideas across. It isn't fair in this debate to let in any outside helps.

A Choctaw Indian who can't read may still get the idea that a motor hearse makes a first-class family carry-all, but that doesn't count. Demonstrations are barred. Salesmen mustn't fill in what the advertising itself leaves blank. Matching what the neighbors buy is out.

Only the ideas the public gets through straight advertising talk belong in this picture. Those, I claim, get over faster, to more people, when we write what the very simplest lout can grasp without skipping a word or guessing.

That's a "formula." It was beaten into me by a dozen men that knew more about writing to common people than I ever hope to know. Sink or swim, I'm going to stick to it, at least until I find more Burlingame commuters who can get that "plane of objective reality" business without a second look.

So, Roy Johnson, I do bite my thumb at you.\*

\*Puzzle: Offhand, now, without looking—be honest—how many of you buyers of a hundred million Little Blue Books can name the three Shakespearean plays dragged into this article? Cheer up! I had to look up one of 'em myself.—L. E.

\* \* \*

Mr. Ellis delivers himself so trippingly on the pen, not mauling his  
(Continued on page 110)

## Here's the New Book of Plans and Ideas for Sales Contests and Sales Stimulators

### "Let's Run a Sales Contest"

It will cost you \$2.00 and if for any reason it fails to spark after you have looked it over—send it back and we will promptly refund your money.

Sold for cash to save bookkeeping, collection costs and a lot of red tape on single copies. Since December first, 1928, over 3,000 books have been sold that way.

"Let's Run a Sales Contest" is a collection of plans and ideas used by 100 leading Sales and Insurance Managers. The General Sales Manager, the Sales Promotion Manager, the District Manager, the General Manager and the General Agent, will find this book highly valuable in formulating their contests and in solving sales crew problems.

**DON'T OVERLOOK that POSSIBILITY of what it can do for you during 1929**

References: The Union Trust Co. of Chicago

**Fill in Coupon, Detach and Enclose It With Your Check**

To: JOHN M. KUMLER,  
Dept. S-2, 35 E. Wacker Drive, Chicago, Illinois.  
FROM:

Date.....

(Type or print clearly)

Name of Company.....

Address book is to be sent to.....City

.....State

Please send me without delay, postpaid ..... copies of your book on Sales Contest Plans "Let's Run a Sales Contest," at \$2.00 per copy. I am sending this order with the understanding that if, upon inspection, the book does not appear to be worth more than the money I have paid for it, I am to return it to you at once and you will return to me on the day you receive the book(s) any money I have paid you for it (them).

### "A Gigantic Workshop With Sky for a Roof"

THE BEAUMONT TRADE TERRITORY

Monthly Industrial Payrolls

**\$7,000,000.00**

Covered Only by

BEAUMONT ENTERPRISE  
AND  
THE BEAUMONT JOURNAL

Ask Beckwith—He Knows

### THE BUSY LIFE of WILKES-BARRE, PENNA.

Focused in Wyoming Valley's greatest home newspaper. Established in the third populated center of the second most populated state in the United States.

WILKES-BARRE  
**TIMES - LEADER**

Covers a ten-mile radius of greatest wealth in the Anthracite region. Ideal for try-out work, as well as maintenance campaigns.

**TIMES LEADER**

Published each weekday afternoon at  
44-48 West Market St., Wilkes-Barre, Pa.

STORY, BROOKS & FINLEY

Special Representatives: New York, Philadelphia, Chicago, Los Angeles, San Francisco





**A** HINT AND A TRIBUTE TO RAILROADS: The Simmons Company pays a deserved, if unusual, tribute to American railroads in a newspaper page advertisement calling attention to the effect on business of prompt delivery of goods. "In the sixty warehouses of the Simmons Company scattered over the country," it is noted, "inventories have been reduced from 10 to 50 per cent in the last three years, in spite of a substantial increase in sales and greatly improved delivery service to thousands of retail distributors. These retail distributors have in turn been enabled to reduce inventories and to turn stocks more rapidly. Throughout the nation hundreds of millions of dollars have thus been released from the necessity of financing goods in transit and storage and diverted to productive enterprise. There is no doubt we have the improvement of railroad freight service to thank in very large part for this powerful impulse to the growth of national prosperity." No one who is familiar with what has been going on will question these statements. They explain not only the ability of industry to keep abreast with the expanding demand for its products, but account also in no small measure for the large surplus funds which corporations have contributed to the call money market at a time of active speculation. If the experience of the Simmons Company is general the capital resources of industry that have been accumulated in this way provide a reserve such as it has never enjoyed before that can be used either to tide it over difficulties or to promote new activities. The acknowledgment which the Simmons Company makes of industry's debt to the railroads should increase understanding of the situation and tend to improve their public relations. Once shippers generally realize all the advantages they gain from ability of the transportation companies to do their work efficiently there will be an end to attempts, born of ignorance and prejudice, to hamper what is being done to maintain a service which has so much to do with our prosperity. The hint to the railroads is as broad as the tribute is merited.

**C** HANGE AND MASS PRODUCTION: When the Ford plants were shut down for the greater part of a year to prepare for a new model we began to hear that mass production, wheel horse of American progress, had struck a serious snag. Ford with three hundred million or more surplus could stand the loss. The good will he had amassed was sturdy enough to survive the long delay. But the time-consuming, surplus-devouring obstacle he had encountered in trying to keep gigantic plants up with rapidly changing tastes was more suggestive of a widespread condition than was his ability to cope with the conditions. Eureka Vacuum Cleaner had laboriously overcome

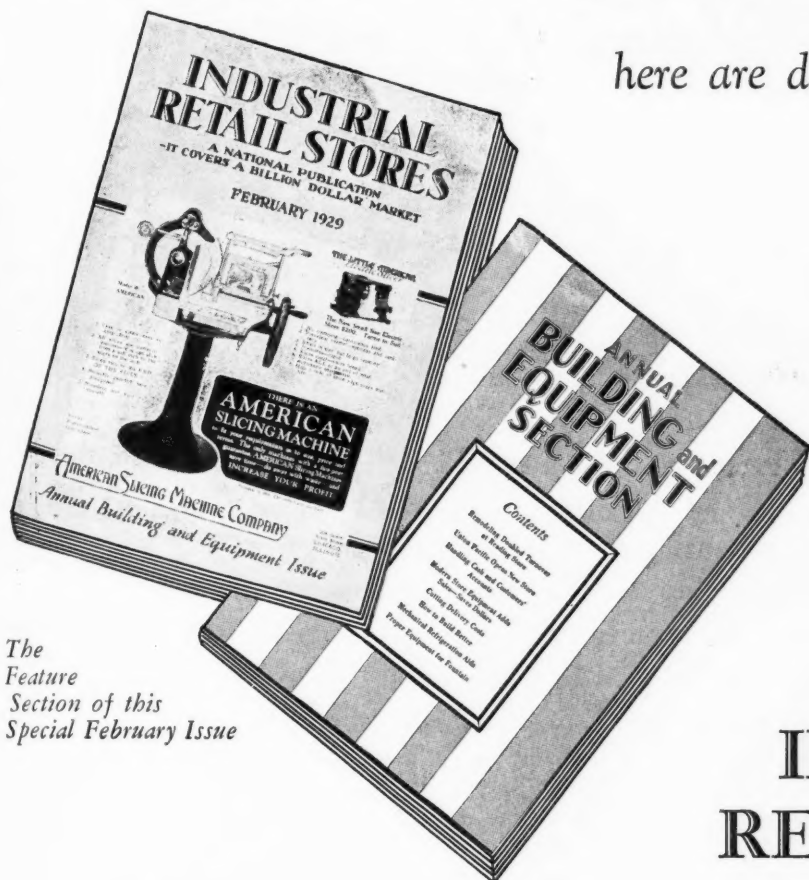
the same difficulty by methods with which readers of this magazine are familiar. Maytag had a similar experience, the scars of which were plainly seen in more than one of the company's quarterly income statements. Chevrolet is just emerging from a struggle with a modified form of the problem. The evidence of trouble is plentiful enough to indicate that making exactly the same article in enormous quantity for markets subject to sudden caprice may be a ticklish job which hasn't by any means reached the bottom of the cornucopia of grief that trails along with the cornucopia of plenty. On this phase of the subject, however, E. J. Kulas, president of the Otis Steel Company, has an interesting article in *Nation's Business* which points to a measure of relief. Frankly admitting that huge machines designed to replace man power may be a direct menace to capital rather than to labor, he sees a way out of the dilemma in the trend to smaller units in large groups. He agrees with Henry Ford that any mechanical device is merely an extension of the capacity of the man who operates it. But Mr. Kulas goes farther. Regarding flexibility in production as vital to present needs, he looks upon the purely automatic machine as a dangerous indulgence of greed for volume at the expense of elasticity, key to profitable operation.

**C** HAIN EATS CHAIN: There are said to be signs of some abatement in the multiplication of chain store organizations, but none of any relaxation in the linking of more and more stores to existing chains. According to the latest figures on the subject, there are now 6,675 chain systems in the country operating more than 120,000 stores—71 per cent more systems than we had a year ago and nearly 19 per cent more grouped stores. At some point, obviously, competition among the chains will begin to exert a decisive influence. Thus far we have heard most about their destructive effect among the independents. When the chains begin to get into each other's hair there is likely to be more news of chain mergers than of new chains. It is estimated that 567 drug chains are now in operation. Most of them are sectional and of importance as rivals only to single drug stores in their territories. This is true also of the 393 clothing and haberdashery chains. It is a characteristic of all sorts of combinations, however, that they aspire to increase the scope of their operations, so that any chain, great or small, is a potential nucleus or a fragment in the way of being hooked up to fill in a gap in some larger chain. Eventually multiple retail selling will be tested in fires of its own kindling. At first the faggots used may be still further price-cutting. But there is a limit to the supplies of fuel of this kind. Survival will depend on strength and fitness, qualities of the few that understand their business and its proper field. To this consummation the independent storekeeper who is alive to his opportunities can look forward without misgivings. When the chains under natural laws begin to regulate each other his position should be more secure than ever.

# ✓ for the MANUFACTURER of MODERN STORE EQUIPMENT

here are details of the

## Annual BUILDING and EQUIPMENT ISSUE of INDUSTRIAL RETAIL STORES



The  
Feature  
Section of this  
Special February Issue

Published Annually When the Attention of Buyers in This  
Billion Dollar Market Is Focused on Equipment

### In the Mails February 1st

Replete with sales-increasing; cost-decreasing suggestions. Extra-circulation is assured. Over 1,000 additional readers will receive this Annual Number in addition to the more than 5,000 regular readers.

Extra-long life insured. Readers retain this number as a year-round guide-book to equipment purchases.

EXTRA! The 1928 survey on Building and Equipment in the Industrial Retail Store field is ready! Itemizes equipment purchased and tells of new stores constructed. This survey is yours for the asking. No obligation. Write now.

Partial list of outstanding Equipment Manufacturers who have, and will, avail themselves of the opportunity this SPECIAL ISSUE affords—

Allison Coupon Co.	McCray Refrigerator Sales Corp.
American Slicing Machine Co.	Morgan Specialty Co.
American Wire Form Co.	National Cash Register Co.
Arcus Ticket Co.	R. Orthwine
Artcraft Lithograph & Printing Co.	Osborne Register Co.
James L. Baldwin & Co.	Rawson & Evans Co.
The Brecht Co.	George O. Rogers
Deubener's Shopping Bag	The Schilling Press, Inc.
Dunbar Flint Glass Corp.	The C. Schmidt Co.
Exact Weight Scale Co.	Showcarder, Inc.
Frigidaire Corp.	Standard Computing Scale Co.
General Refrigeration Co.	Stimpson Computing Scale Co.
Globe Ticket Co.	Swing-Tag Co.
R. C. Gorham & Son	Sylvan Specialty Shop
B. C. Holwick	Toledo Scale Co.
International Paper Co.	U. S. Slicing Machine Co.
(Continental Division)	Vaughan Co.
Jacobs Bros. Co.	Vendex, Inc.
Kane Sign Service	Weldon Williams & Lick
The Lamson Co.	York Ice Machinery Corp.

## INDUSTRIAL RETAIL STORES

NEW YORK, N. Y., 420 Lexington Ave.

333 N. Michigan Ave., CHICAGO, ILL.

# *Important Announcement*

EFFECTIVE WITH THE JANUARY, 1929, ISSUE, THE  
TALKING MACHINE WORLD WILL BE KNOWN AS

## **Talking Machine World & Radio-Music Merchant**

¶ This addition to the name is being made in recognition of the fact that the merchandising of radio products constitutes a very important factor in the activities of the modern and progressive merchant and because the title "TALKING MACHINE WORLD and RADIO-MUSIC MERCHANT" represents more adequately the actual scope of our publication.

¶ There will be absolutely no change in the editorial policies of our paper, for our subscribers and advertisers have advised us that we are covering the radio-music industry completely and efficiently.

¶ Our subscription activities will be directed, as heretofore, to the radio-music merchant, who is regarded generally today as the most vital and productive outlet for the sale of standard radio and music products. This type of merchant is the most effective in the marketing of radio, phonograph and musical merchandise and it is this class of retailer who has subscribed for over two decades to The Talking Machine World.

One of the Federated Group of Publications  
420 Lexington Avenue, New York City



## Butler Brothers' Wholesale Chain Enters Retail Field

(Continued from page 82)

"We shall no longer stay out of good towns," Mr. Cunningham added, "merely because we cannot find competent retailers who will cooperate with us. Within a very few years, our lines of goods will be represented before the great majority of the people of the country, and we haven't the slightest doubt as to the immediately successful outcome. We were the first house in the world to collect a large range of five-and ten-cent items, and we have always handled the largest assortment. For more than fifty years we have specialized on goods which retail from five cents to one dollar, and our buyers have acquired an invaluable fund of information regarding merchandise of the kind.

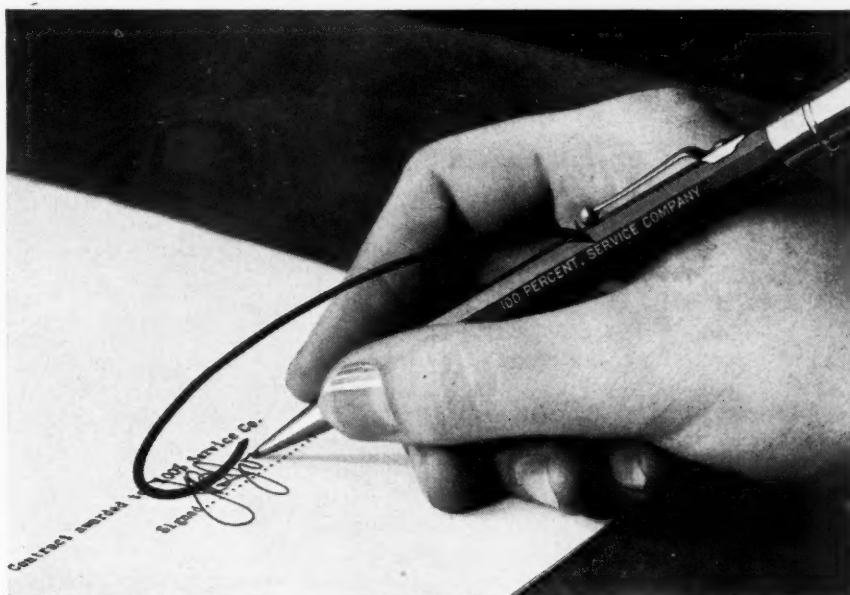
"While we believe that the great expansion of the chain store movement may be approaching its climax, we are frank to say that we don't know just how it will end, although we have made a study of it for some years. We are entering the chain field because the facts established prove to us that the venture will be an advantage to our company and to our many thousands of independent customers. Our company will remain, primarily, a wholesale organization. We are merely adding an important and timely feature that will enable us to adapt our merchandising to changing conditions, distribute our goods more uniformly and economically, and to equip our customers to compete successfully with their chain and other new competitors."

## J. K. Owen to Direct Dayton Convention

J. K. Owen of the National Cash Register Company has been appointed convention chairman for the annual meeting of the Fifth District of the International Advertising Association to be held in Dayton, February 11 and 12.

More than 500 delegates and visitors from Ohio, Michigan, Indiana, Kentucky and West Virginia are expected, and a national committee of the I. A. A., headed by F. J. Nichols of Dayton, will also participate. Several sight-seeing trips have been arranged.

G. D. Simonds has left the Graybar Electric Company, where he was tool sales engineer, to become sales engineer for the Four Wheel Drive Auto Company, manufacturers of FWD trucks, Clintonville, Wisconsin.



The man that signs the order is the man to advertise to

# How to get Business Economically



Over-size  
Model  
\$1.00

THE trouble with most advertising is that the impression left is too soon forgotten.

But this new method advertises today, tomorrow, next year—without added cost.

It reaches the man you seek to influence. It is in his hand, before his eye, on his desk—all the time during business hours.

### Offer to Executives

It is the Autopoint Pencil—a superlative writing tool that everyone likes who knows it. To prove to you (if you are an executive of a business) how fine a pencil it is, we will send you one with our

compliments. See coupon.

Thus when you see how fine a gift it is, you will realize how it impresses others to whom you present it.

Your salesmen give Autopoints, imprinted with your name, slogan or selling message, to selected customers and prospects. There is no waste. The ad stays on the job when your salesman cannot be there.

Mail the coupon now for information and particulars of the Autopoint business building proposition. If you are an executive of a business we will also send a sample pencil free. Use coupon.

### 3 Big Features

- 1 Cannot "jam"—protected by patent. But one simple moving part. Nothing to go wrong. No repairs.
- 2 Bakelite barrel, beautiful onyx-like, lightweight material.
- 3 Perfect balance—not "top-heavy."

**Autopoint**  
The "Better Pencil" Made of Bakelite

AUTOPOINT COMPANY  
4619 Ravenswood Ave. Chicago, Ill.

Attach business card or  
letterhead

For Executives  
Only

AUTOPOINT COMPANY  
4619 Ravenswood Ave., Chicago, Ill.

Without obligation, please send sample Autopoint, booklet, sales-building proposition, prices, etc.

Name .....

Firm .....

Title .....

Address .....

SM-1-12-29

# An Outline of Mergers

(Continued from page 96)

ticle an announcement came from the Borden Company, signed by Arthur W. Milburn, the president, which throws so much light on what this great organization is doing that I have reproduced it almost in its entirety.

The McKesson & Robbins consolidation is an outstanding illustration of how a jobbing house, which is certainly a local institution, can be quickly metamorphosed into a national organization. McKesson & Robbins is now a combination of sixteen wholesale drug houses, having a wide geographical location. The original McKesson & Robbins was both a wholesaler and manufacturer. In late years it was more a manufacturer than a jobber. In fact, every drug wholesaler does considerable manufacturing.

## Division of Labor

Under the terms of the merger, however, the original McKesson & Robbins becomes a manufacturer exclusively and gradually the other houses in the combine will become distributors exclusively. Wholesale territories will not conflict. Thus the consolidation will have both a national business on the McKesson & Robbins manufactured line and also will have a national wholesale business on the drugs of every other drug manufacturer. It is an unique tie-up and one that shows the infinite possibilities of the merger in solving all sorts of distribution difficulties.

One of the things that McKesson & Robbins has already accomplished is worthy of special mention. There are thousands of items in the drug line that are in big demand in only a few sections of the country. Throughout the rest of the land these things may be sold in only limited quantities or perhaps not at all. In those sections where the demand is poor, druggists carry these articles merely as an accommodation. They buy in such small lots that they pay practically a retail price and hence make no money on the stuff.

McKesson & Robbins, however, have devised a system whereby all their retail customers can make the usual profit on this odd-lot merchandise. A drug house in New York City, C. S. Littell & Company, has been secured to handle McKesson & Robbins' export trade. In addition, Littell will serve as a national clearing house on these odd-lot goods. Littell will buy any article of this character in sufficient quantities to get the best discounts. In

turn these articles will be distributed to the retail trade in whatever quantity required and at a price that will enable the druggist to make a profit on every sale, no matter how small his purchases may be.

There are a number of stories going around as to what is behind Drug, Inc., which is Louis K. Liggett's concern. This company controls Sterling Products Company, the United Drug Company and several other enterprises. It recently bought the Mint Products Company. I have been told that Mr. Liggett is going to give up retailing and devote himself to manufacturing entirely. It has also been said that he bought Sterling so that he could cut off price-slashing competitors, which have been making it impossible for the Liggett stores to earn any money on the fast-selling family that is grouped under the Sterling wing. Also I have heard it hinted that owning Sterling would give the Liggett interests a fine chance to watch the orders coming in from independents and in that way get inside information that would be helpful in finding new locations for Liggett stores.

## To Form a "Vertical Trust"

I am inclined to discredit all these stories. The chances are that the Liggett interests are going into the manufacturing business so extensively solely with the idea of forming a so-called "vertical trust." A number of such combines have been formed in the last couple of years. One reason for them is to derive a profit from both production and distribution. Another reason is to diversify a business so that its many ramified and widely scattered properties will protect it from any ill wind that may blow.

As to the negative side of the subject being treated in this article—the forming of mergers so as to get rid of surplus properties—not so much need be said. One of the most constructive services being rendered by mergers is the elimination of units that are not only unprofitable in themselves but are also a source of irritation to all units in the industry.

A fine example of such a situation existed in the industrial alcohol business. There were a number of small units in this field, some of them irresponsible. The competition was so fierce that no one made any money. However, there have been three large consolidations in the industry, with the result that the irresponsible elements

have been weeded out and the business is now in a healthier state than ever.

There are a number of similarly situated industries that need a severe dose of mergers. The soft coal industry is one. Secretary of Labor James J. Davis said the other day that the only way to cure soft coal of its ills is to reduce greatly the number of operators. He said this could be accomplished only through consolidation. "I would rather have consolidation and prosperity," Mr. Davis stated, "than unlimited production and poverty stalking through the coal fields."

In many mergers the elimination of branches and other surplus properties is one of the incidental economies accomplished. That was the case with the Remington-Rand Company. The merger enabled the organization to get rid of a stack of branches, but consolidating branches was not the main purpose of the merger, as is so frequently claimed.

I know of no consolidation that was projected merely for the purpose of saving on duplicating branches. If there were such a merger, certainly it would not be solidly based. Combines, such as that of Remington-Rand, generally have several major objectives in view. In aiming at these larger goals, they have the satisfaction of achieving many minor economies that may not have been suspected in the original plan.

## What Happened When a Public Utility Began Some Real Selling

(Continued from page 76)

Then as time passes, we mean to recognize their progress at frequent intervals. About every ninety days we do something to show our appreciation; give them a little raise in salary, give one a desk, give another a better desk than he had, get a nice writeup of another in one of the gas trade journals, and so on.

"They appreciate such recognition, it gives them something more than a commission check to look forward to, and we think they do better work. We know they stay with us better than the average, for our turnover of salesmen is practically nil."

It seems rather obvious that they do stick with their jobs and that they do a first class selling job!

Effective with the January issue, the name of the *Home Economist* has been changed to *Practical Home Economics*. The change was made to avoid confusion with the *Economist* Group of textile papers.



# How North American Learns Why Customer-Stockholders Are Lost

(Continued from page 73)

A still more significant aspect lies not in the figures given above but in an explanation of how the survey effected an important and most unconventional change in the vital policy of the North American Company.

"Ever since the survey began," said Mr. Dame, "I have taken the time personally to answer inquiries, writing letters to all those whose returned questionnaires asked for information or indicated lack of it. At the beginning the replies showed a large number of stockholders did not understand the policy of paying common stock dividends in common stock, and many were not only foregoing its benefits by selling their dividend stock but were also disposing of their principal. Steps were taken to inform all stockholders fully and this continues to be done in the case of every new stockholder. This lack of understanding began to appear much less frequently, until at the present time the percentage of reasons amply demonstrate that the stock dividend policy, which has been in effect since April, 1923, is favored by our stockholders.

"In replying to letters I take as much pains to clarify the situation for the benefit of the owner or former owner of one share of stock as I do

for the owner of one hundred shares. I am interested in knowing what the investing public is thinking about and thereby learning facts instead of having to theorize. We have learned a good deal which has been of assistance to us in formulating policies. Paradoxically, yet quite logically, we keep in close contact with the attitude of our stockholders by establishing contact with our former stockholders."

A new operating subsidiary has been formed by the Rainbow Light Company, and three new plants, at Louisville, Denver and Dallas, are being established for immediate operation, it was announced this week by George L. Johnson, chairman of Rainbow Luminous Products, Inc., national distributors and producers of Rainbow luminous tube lighting for electrical outdoor advertising.

Townsend D. Wolf, for three years a director and head of the hosiery department of the Van Raalte Company, is now with the Gotham Silk Hosiery Company, New York. Mr. Wolf will have charge of sales for the Onyx Pointex—replacing Ivan Selig, who resigned recently.

## Why North American Stockholders Sold Their Holdings in 1927

Table A.

	Primary Reasons	Secondary
Immediate profit .....	27.85%	1.56%
Purely personal reasons .....	26.67	2.54
Reinvestment .....	11.16	3.66
Needed money .....	9.20	0.78
Miscellaneous or no reason given .....	3.32	0.80
Greater security .....	3.26	....
Dividend policy .....	2.65	2.42
On advice of broker .....	2.54	2.74
Decline or prospect of decline .....	2.28	1.67
Stock loaned .....	2.24	....
Gift, death, transfer .....	2.22	0.03
Opportunity to exchange .....	1.59	1.36
Greater yield .....	1.27	0.29
Lack of information .....	0.81	0.58
No sale (names changed, etc.) .....	0.81	....
Selling too high .....	0.72	0.60
Stock moves too slowly .....	0.66	0.69
Any policy of company .....	0.55	0.61
Fear dividend not maintained .....	0.20	0.43
Expect to rebuy .....	....	22.72
	100.00%	43.48%

**COLOR** is now available—at modest cost—to advertisers who use the inside pages of  
**THE ROTARIAN**

**BEGINNING** with the issue of March, 1929, Rotarian advertisers may enjoy the benefits of a second color on inside pages, at so reasonable a cost that most advertisers will specify color as a matter of course. Four-color process will be available on second, third and fourth covers.

With the same issue, the appearance, style and general make-up of the magazine will be improved, to provide a perfect setting for the advertising message that is above the average in dignity and beauty.

Your inquiry for color rates, or other information, will bring a prompt response.

**THE ROTARIAN**

*The Magazine of Service*

213 West Wacker Drive, Chicago

7 W. 16th St.  
New York

Pickering Bldg.  
Cincinnati

## Picture Fitness Demands Production Fitness

Geared like an advertising agency with all departments on one floor under one management—operating on a clock work schedule—no lost motion—every step controlled by an official of the company—that is the new type of industrial motion picture efficiency as practiced by "Big 4."

That is why we can guarantee the quality of our productions—the big reason why scores of the country's leading industries use "Big 4" service year after year.

You will quickly realize the truth of this remarkable fact when your next film is produced by "Big 4."

Our representative will gladly call with "Big 4" details at no obligation!

### Big 4 Film Corporation

130 West 46th Street  
NEW YORK, N. Y.

Tel. Bryant 6321





This company is generously equipped with the practical knowledge, mechanical equipment, big-scale production methods, and modern cost-control systems which are essential for low-cost manufacture of catalogs in large and small capacities.

Write for our "Customer's Helpful Specification Sheet," which will enable us to assist you in the development of a catalog best suited to your individual needs. Also, ask for a free copy of "What a Business Man Should Know About Printing and Book Binding." It is a valuable treatise which should be in every executive's library.

W. B. CONKEY CO., Hammond, Ind.

Printers  
Binders  
and Book  
Manufacturers



Branch  
Offices:  
Chicago and  
New York

The Mark of Good Printing Since 1877

**83,422 People in  
Harrisburg, Pa.—  
225,000 in the  
Retail Trading  
Area—that's  
some market!  
45,000 circulation  
at 11c a line is an  
adequate, economical  
newspaper coverage**

## HARRISBURG TELEGRAPH

Central Pennsylvania's  
Greatest Daily

STORY, BROOKS & FINLEY  
New York · Chicago  
Philadelphia

## Shoe Leaders Interpret Retail Distribution Policies

(Continued from page 81)

But of these conflicts, coordination was the result."

The I. Miller company was the first shoe concern in the United States to see the relation between shoe styles and styles in other products. It was the first to start ensemble selling some years ago, an idea which is now widely adopted. It has lately purchased a hosiery mill to carry the ensemble plan into manufacturing as well as retailing.

Elmer J. Bliss, president, Regal Shoe Company, who has manufactured both for dealers and his own stores, finally settling upon the latter exclusively, says:

### Demand Known in Advance

"Production demands are now known in advance, both as to style and size, whereas formerly the dribbling orders of dealers had to be awaited.

"Fill-in orders, which used to come in from dealers for a few pairs of shoes at a time, are now anticipated and prepared for. The varied, unpredictable needs of scattered dealers used to be made in small lots, at an added cost to us of at least 50 per cent.

"Aside from the obvious advantages of elimination of credit risks, the retention of favorable sites on old leases and the ability to push our own line, the economies of manufacturing, buying and selling are enormous.

"Retail salesmen are trained in a standard method of selling and fitting. Stock is controlled through a highly developed system, allowing sales to influence production, and enabling us to assign our stock to our 75 stores in a manner suited to economical manufacture. Our stores are now feelers of the factory through which the product is fitted to the market and output flows to the consumer steadily and evenly. Factory turnover is 15 times a year."

"Our first factory-owned store was opened in 1919," says R. P. Morse, president, Cantilever Corporation. "Although it was looked upon as an experiment, it has proved so successful that subsequent stores have been added and acquired as the opportunity came up to get a more even retail distribution of our products."

Mr. Friedman, in reference to results, says:

"The outstanding advantage of a manufacturer's chain is that it offers a steady output in all seasons, especially during dull periods when the independent does not buy. Wait-

ing for the busy season before placing orders is common to all individual stores, for they cannot forecast their needs unassisted. Since a large part of our production is sold through the small dealer, our wholesale corporation is striving to help them in this respect."

The arrangement between McElwain and the Melville chain has already been described: a plan which gives to the manufacturer a reliable market, enabling him to produce a good quality shoe at a low price, pay wages a little higher than the average, and keep his plants busy at times when many around him are curtailing production or shutting down.

The aims of the Footwear Guild about sum up the advantages of some type of close union of manufacturer and retailer. Through a million-dollar corporation, the Guild hopes to offer to independents a central organization, staffed by experts, such as few single companies can afford. "The manufacturer," says J. A. Sherman, president, "will profit by large and constant demand, and a steady market, obviating peaks and slumps with their cost and waste, which have been a burden on the industry. Since the retailers operating under this plan will come to the Guild, rather than the Guild selling to them, manufacturers will not have the added sales expense in reaching this extended market."

### Must Go to Consumer

To pursue the subject further would result in endless repetition. Where steady, uninterrupted production is needed, all agree that it is necessary for the manufacturer to go direct to the consumer, either through factory-owned stores or exclusive agencies. The agencies themselves appreciate this, and the independent dealer is beginning to. Although the I. Miller plan was originally worked out for its own stores and agencies, many independents operate under it at their own request.

But exclusive stores, whether owned or merely advised, are not without their limitations and weak points.

"In one sense," says Mr. Morse, "exclusive Cantilever stores, handling nothing but our product, do keep us in closer touch with the public. Yet, in another sense, we are at a disadvantage with this type of distribution,

because here our goods are not being sold in competition with those of other manufacturers. Hence, exclusive stores may, and often do, fail to appreciate faults in the product which are shown up by independent dealers who handle other lines."

The same disadvantage is felt by Mr. Friedman, who recognizes some handicap in not receiving complaints from retailers who compare the products of different manufacturers. He, however, sees no serious handicap in the long run, believing that the inability to cope with various difficulties is the fault of the manufacturer and not of the system.

"At present our plants produce 60 per cent of the goods sold in our stores," says E. H. Krom, president, G. R. Kinney, Inc. "We have no intention ever of disturbing this proportion; for we consider purchasing at least 40 per cent on the open market absolutely essential. In this manner we keep in touch with the rest of the industry."

#### Insists on Freedom of Selection

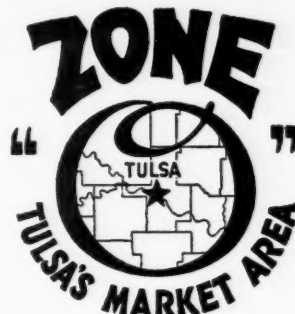
This desire to watch other manufacturers to determine the trend in the entire field is shared by the Melville Shoe Corporation. Although the company has standing agreements with several manufacturers, it insists upon freedom in selecting some of its wares after an examination of other offerings.

To what extent the lack of dealers' criticisms and contact with the open market will prevent a large development in factory-owned and exclusive stores is doubtful. Those who have made the greatest progress in either channel do not look upon these handicaps as difficult to overcome. It is pointed out that when the consumer's preference is known, the independent retailer's complaints, which for the most part are for more styles, become unnecessary. It is said that the performance of other manufacturers can be watched without actually buying. The custom of department stores sending reporters to watch the prices and styles in rival houses is cited as a practical example. And, at least, there is nothing to prevent the continued purchase of a part of the line from others.

The advantages of one point of contact over the other have been mentioned in other articles. The chief merit of the exclusive dealer is in his furnishing the capital, therefore actively interested in his business—while offering practically all the advantages of a factory-owned store.

The manufacturer's store admits of a little closer control and allows the

## Where One in every Two reads The Tulsa Tribune!



500,000 people live in ZONE "O," the circle describing a 50 mile air-line radius around Tulsa,  
"The Oil Capital of the World"

## The Tulsa Tribune

*Tulsa's Leading Newspaper*

G. LOGAN PAYNE CO.  
New York - Chicago - Boston

GEORGE H. PAYNE, Inc.  
Los Angeles San Francisco

## Passaic and Bergen Counties Exceed 17 States in Total Bank Deposits!

**A**N unusual statement, but one that is nevertheless true. The total amount of bank deposits for these two New Jersey counties is \$309,605,000, or more than any of the following states: Alabama, Oregon, New Hampshire, Mississippi, Arkansas, Vermont, South Carolina, North Dakota, Montana, South Dakota, Utah, Delaware, Idaho, Arizona, Wyoming, Nevada or New Mexico.

It is this rich field that The Paterson Press-Guardian reaches every evening.


The Press-Guardian is the only Paterson paper which is maintaining its circulation on the merits of the paper itself—a factor which is of tremendous significance to advertisers.

## The Paterson Press-Guardian

(Exclusive Member of The 100,000 Group of American Cities)

Nat'l Reps.: G. LOGAN PAYNE COMPANY, New York, Boston, Chicago  
GEORGE H. PAYNE, San Francisco





**Welcome  
to New York and the  
Alamar**  
BROADWAY & 71st ST.  
Telephone, Endicott 5000

A Masterpiece of Modern  
Hotel Creation, Offering  
Every Convenience. Six hun-  
dred spacious rooms each with  
Bath, Shower and Servidor.  
For exceptional dining The  
Blue Room and Bonbonniere.

TARIFF MODERATE  
UNDER KNOTT MANAGEMENT  
Wire at OUR expense for  
Reservations!

## YONKERS (NEW YORK) HERALD (EVENING)

Serves a rich home district. Enjoys the  
largest circulation between New York and  
Albany.

Population..... 110,000

Circulation 14,625 (ABC)

—Representatives—

GEORGE B. DAVID CO., Inc.  
110 E. 42nd St. New York, N. Y.  
1900 Wrigley Bldg. - Chicago, Ill.

Our product will help to sell your product  
**The U. S. Printing & Lithograph Co.**

COLOR PRINTING HEADQUARTERS  
Cincinnati Brooklyn Baltimore

Let our nearest office solve your color  
printing problem

## THE TAXI WEEKLY

COVERS THE WHOLE CAB INDUSTRY  
New York Edition goes to 10,000 taxicab individ-  
ual fleet and company operators. Issued Mondays.  
National Edition goes to 4,000 fleet and company  
operators throughout the U. S. Issued Mondays.

Published in Its Own Printing Plant  
at 54 West 74th Street—New York City

transfer of stock from one unit to another. Aside from these, it differs little from exclusive agencies—referring, of course, to those agencies of most recent form. But supervision is passing more and more to the manufacturer; and some manufacturers call attention to the practice of publishers switching their periodicals from one independent newsstand to another according to the demand on certain issues. It is possible that even this slight edge will be removed.

Future developments in shoe distribution are, of course, unpredictable. At present there is a great deal of uncertainty as to which stream to choose, for the independent dealers still far outnumber the chains, and the agencies are dubious of the manu-

facturers' objects in acquiring stores.

Yet the preference is for the exclusive agency, and the effort is not to displace him with factory-owned stores. To the contrary, it is to strengthen him by including him in their fold.

The manufacturer is bending the independent dealer toward the exclusive agency, and the exclusive agency toward the factory-owned store, which already conforms to the chain organizations' outline. And the chain is leaning toward the exclusive agency. They are not bent in line, but in a circle, inclining toward a point in the center which is close to the consumer.

How far this tendency has gone in other industries will be reported in future issues.

## Ellis Bites His Thumb at Johnson's "Synthetic Dumb-bell"

(Continued from page 101)

phrases as some writers of advertising do, that the least credulous of his readers must be ready, from sheer gratitude, to agree with almost everything he says, whether he discourses of images of whales or weasels in the skies, or the average man and all the other strata of human society.

Yet 'twere only middling honest to admit that the editorial mind, reconciled tho' it be by his homily on the superior merits of understandable English, still finds itself perplexed by his ardor in this colloquy for language in "copy" that all can read who run.

For Mr. Johnson, his plane of objective reality to the contrary notwithstanding, seems to have a like relish for racy phrase and plain utterance, and is using them, certainly not to their own undoing, but, as we see it, in behalf of common sense.

His thesis is that advertisements as a whole would do their work better if their authors were allowed to assume that sense is common. He appears to think that the natural endowment of intelligence is not rare and that it not infrequently survives education of sorts. He probably accepts Sainte-Beuve's dictum that Bobbie Burns wrote better poetry than John Milton, even though thousands savor "A Man's a Man for a' That" for every one that tries to make anything of "Paradise Lost."

It's hackneyed ideas lacking the driving power of imagination that Mr. Johnson objects to, not hifalutin' sentences, stuffed effigies of mis-called culture, that he's wedded to. He's for stripping off the straitjackets and the

blindlers and giving creative instinct a chance so that advertising, not a thing apart, may enjoy what it is entitled to, the best expression of brains that are acquainted with life in all its aspects and not only with its moods and pents in nooks and crannies and mud flats. This isn't to write up or down; it's to write horizontal.

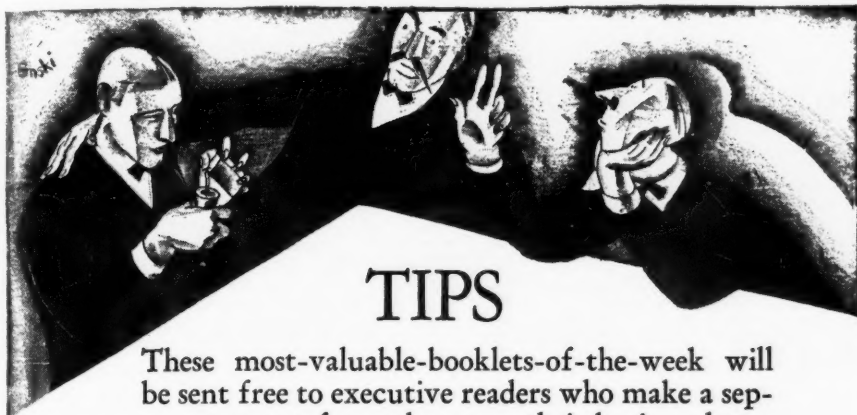
But to anticipate further were larcenous. Mr. Johnson can speak for himself, an ability which no one will deny to Mr. Ellis.—The Editors.

## Florian Introduces Cosmetics for Men

The first of six toilet products for men has just been introduced by Florian, Inc., of Detroit, and will be advertised and marketed on a national scale. The corporation is believed to be the first established for the sole purpose of manufacturing toilet needs for men. Carl Weeks, president of the Armand Company, cosmetic house of Des Moines, is president of the new concern, and Fred Ingram, Jr., member of a well-known pharmaceutical family, will be general and sales manager. Mr. Ingram has opened offices in the Book Building, Detroit; the advertising program will be announced shortly. The line will include shaving soap and shaving lotions.

Life Savers, Inc., Port Chester, New York, makers of package confections, has merged with Drug, Inc., a holding company of chain drug stores, operating in New York.





## TIPS

These most-valuable-booklets-of-the-week will be sent free to executive readers who make a separate request for each one on their business letter heads. Booklets will be mailed by the companies which publish them.

Address Sales Management, Inc., Reader's Service Bureau, 420 Lexington Avenue, New York.

### Direct Mail

*The Sphinx.* The calls from advertisers for new and distinctive types are bringing forth answers from all the typographic houses. The Sphinx type, designed in France, is claimed by its sponsors to be more black, more striking, more legible, than any other type in use for advertising. Every advertiser and direct mail user should have this sample book. Striking borders have been designed by Alfred Latour especially for use with this type.

*Halftone Letter Kit.* Here is an ideal packet of letterheads, of which a number are four-pagers. There is a decided trend toward letterheads that carry pictures to illustrate the sales message. The best results can be secured only by using paper with exceptional printing qualities, combined with the true correspondence qualities of bond paper.

*Model Letterheads on Certificate Bond.* If letterheads interest you send for this collection also. You will receive twenty-one excellent letterpress specimens and nine which are lithographed or die-stamped.

*Waverly Vellum.* A sample book of a modern counterpart of sheepskin parchment, bountifully and beautifully illustrated with fine examples of advertising created by leading agencies and national advertisers.

### Where Your Salesmen Can Get More Business

*The 49th State Today.* This is an unusually complete survey of St. Louis and its territory, thumb-indexed for quick reference. Among other features, it has a complete listing by names of all retail stores in the trade territory, and the county data section is designed for the sales manager's use

in determining actual sales possibilities in the Missouri, Arkansas, Illinois, Indiana, Kentucky and Tennessee districts covered.

*Facts About Utica.* In addition to condensed information about Utica and its trading area this book gives a complete classified directory of business firms.

### Equipment for Your Salesmen

*Covering the Subject of Sales.* Illustrations and descriptions of catalog binders, ring binders, easel binders, advertising portfolios, salesmen's sample cases, photoholders and the like, used by such well-known companies as Kohler, Marshall-Wells, Chevrolet, Sargent, Kelvinator, Fairbanks-Morse, Lowe Brothers, Westinghouse, and built by the Heinn Company, specialists in designing binders and loose-leaf catalogs for salesmen.

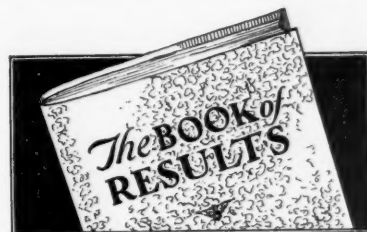
### How to Plan an Office

*Better Business Homes.* Should your place of business be a mere workshop? Many firms are finding that when the office is restful and well arranged the daily problems of business are more easily and more quickly solved. Furthermore, it costs no more. This booklet gives good suggestions on laying out an office for efficiency and quiet.

### Export

*The Foreign Automotive Market.* While this study deals with automotive products it will be of interest and value to manufacturers in other lines who want to reach out beyond the confines of this country for business. Generally speaking, the best export fields for motor cars are the best for other American products.

## THIS BOOK



## May Lead You to MORE SALES in 1929

ADVERTISING is a means of accomplishing quickly what would happen eventually.

If you make a good product, at the right price, the probabilities are that your sales will grow in proportion to the number of people who are familiar with its advantages.

Advertising speeds up your sales by telling more people about your product in less time than is possible by any other means.

One of our clients, for example, is a manufacturing concern which had, without advertising, experienced twenty years of consistent growth. But in less than one year of advertising its sales have shown an increase of 26% over its best previous record.

Another client—a non-advertiser for 28 years—by means of advertising has tripled his sales volume in seven years.

Our "Book of Results," which shows graphically how we have helped these and many other concerns speed up their sales, may suggest ways in which you can make your sales grow faster, too.

Without obligation on your part, one of our executives will be pleased to place this book on your desk, if you will simply drop us a line and appoint a time to suit your convenience.

## THE GREEN & VAN SANT COMPANY

A NATIONAL ADVERTISING AGENCY  
First National Bank Building  
BALTIMORE, MARYLAND

## Account Changes

CLICQUOT CLUB COMPANY, Millis, Massachusetts, Clicquot Club pale dry and Golden ginger ales, to Batten, Barton, Durstine & Osborn, Inc., New York City.

SEALED CONTAINERS CORPORATION, New York City, Sealcons, to Cleveland & Shaw, Inc., of that city. Newspapers.

GREEN BROTHERS COMPANY, Springfield, Massachusetts, Big Banker candy bar and Tastyest (chocolate yeast compound in chocolate bar form), and BROWN & BIGELOW, St. Paul, Minnesota, Remembrance Advertising, to Batten, Barton, Durstine & Osborn, Inc., of New York City.

MOTOMETER COMPANY, INC., Long Island City, Boyce MotoMeter and other automotive products, to Myers and Golden, Inc., New York City.

SHEET ALUMINUM CORPORATION, Jackson, Michigan, Art Craft Ware, to the Savage Advertising Agency, Detroit. Magazines, newspapers, trade papers and direct mail.

GENERAL CIGAR COMPANY, New York City, White Owl cigar account to Griffin, Johnson & Mann, there.

STRONG MANUFACTURING COMPANY, Sebring, Ohio, introducing a new line of enamel ware, to Critchfield & Company, Chicago.

PENNSYLVANIA RUBBER COMPANY OF AMERICA, INC., Jeannette, Pennsylvania, to William H. Rankin Company, New York City.

A. H. GREBE & COMPANY, INC., Richmond Hill, New York, radio apparatus, to H. K. McCann Company, New York City.

COLUMBIA PHONOGRAPH COMPANY, INC., New York, to Young & Rubicam, Inc., there.

INTERNATIONAL HEATER COMPANY, Utica, New York, boilers, furnaces and Onepipe heaters, to Wortman, Brown & Company, Inc., there.

MARINELLO COMPANY, New York City, toilet preparations, to the H. Sumner Sternberg & Warren Kelly Advertising Agency, there.

HOUSE OF SWANSDOWN, INC., New York City, Swansdown and Kam-O-Lam coats for women, to Hicks Advertising Agency of that city.

## Personal Service and Supplies

**Classified Rates: 50c a line of seven words; minimum \$3.00. No display**

### BRANCH OFFICE WANTED

WANTED: Opportunity to open or manage branch sales office in Rochester, N. Y., for responsible manufacturer. Five years' experience with mechanical products in selling, sales correspondence, and sales management. Thorough knowledge of advertising, selling methods, and general business. Initiative and creative ability. University and special training. Age 25, married, family. At present employed as assistant district sales manager in charge of office national machinery manufacturer covering several states. Salary and commission desired. Available thirty to sixty days. Address Box 126, Sales Management, Graybar Building, New York City, N. Y.

### DISTRIBUTOR

WE WANT TO CORRESPOND WITH CONCERNS desiring a larger distribution of their products in the northwest, principally Minnesota, Iowa, North and South Dakota. Have a productive sales force with a record. Financially able to warehouse and stock a quick seller. Address Box 127, Sales Management, Graybar Building, New York, N. Y.

### EXECUTIVES WANTED

IF YOU ARE OPEN TO OVERTURES FOR new connection, and qualified for a salary between \$2,500 and \$25,000, your response to this announcement is invited. The undersigned provides a thoroughly organized service, of recognized standing and reputation, through which preliminaries are

negotiated confidentially for positions of the calibre indicated. The procedure is individualized to each client's personal requirements; your identity covered and present position protected. Established nineteen years. Send only name and address for details, R. W. Bixby, Inc., 118 Downtown Building, Buffalo, N. Y.

### SALES PROMOTION

\$50 to \$50,000 DAILY SALES DEVELOPED during 28 years for clients by our direct mail plans, copy, campaigns. One product, 1923, an idea, this year \$100,000 orders booked. Fifty-year-old concern desired 50 national representatives in 1925; we produced 40 in three months. 700 dealers in 10 months, at \$3 each, for another. Ten years Sales Promotion Manager, Larkin Co. Submit sales problems for free diagnosis. James C. Johnson, 119 Woodbridge Avenue, Buffalo, N. Y.

### DISTRIBUTOR WANTED

We have developed an entirely new and improved principle in fire extinguishers, which requires the extending of our distribution plan. For years we have been the largest manufacturer in the world of hand portable fire extinguishers, with the additions to our line, we are able to offer a salesman or organization a permanent connection, with ever-increasing sales possibilities. Only a limited number of distributors are required at this time. Write for complete details, stating age, experience, and other qualifications. Fry-Fryer Company, 1741 Fry-Fryer Building, Dayton, Ohio.

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